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But Uncertainty Has Little Effect on General Prosperity.

CANADA'S PAPER EXPORTS

Exports to Great Britain Have Been Larger Since the Outbreak of War, But Are Still Small Proportion of Total.

Canadian Paper manufacturers are practically a unit in expressing the belief that the action of the British Government in restricting imports of paper will have a very slight, if any effect at all, on paper prices in this country. The reasons given are substantially the same by all the manufacturers interviewed, namely, that very little paper is now being exported to England, and that the American demand is greater than they can supply.

The value of Canada's exports of paper to Great Britain was steadily diminishing up to the outbreak of war. For the fiscal year ending March 31, 1911, she exported to the Old Country paper valued at $840,361, of which $306,248 represented printing paper. In 1912, exports were valued at $600,851; in 1913 at $584,423, and for the year ending March 31, 1914, $505,676. The next year witnessed an increase, particularly in the items of felt and printing papers, to $593,038, and last year there was a comparatively big jump to $911,069. The increase was shown in the unspecified class, so that it is impossible to show just what kind of paper was in special demand.

Exports Again Decline.

During the eight months, April to November inclusive, exports to Great Britain have totalled in value $474,614, or at the rate of about $812,000 for the year. This is under the 1915-1916 mark, and indicates that exports have been declining somewhat. Printing paper is noticeably less, while there has been a very large increase in the exports of wrapping paper.

Taking the figures for the fiscal year 1915-16, exports to Great Britain only amounted to 4½ per cent. of the total exports of paper, which would seem to bear out the paper manufacturers' contention that not enough is involved to have any very pronounced bearing on the question of price.

Manufacturers' Opinions.

A prominent executive of one of the largest paper mills in Canada, expressed the view that the prices would not be affected at all. "There has been very little paper exported from Canada to Great Britain since the war started," he said. "The greater part of the Canadian output not required by Canada goes to the United States. There is a keen demand on this continent, for all the paper that can be produced and therefore, I fail to see how there is any likelihood of the price being af-

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NEWS OF SECURITIES.

THE FINANCIAL POST'S review of the Canadian Security Markets will be found on pages 2, 3, 4, 5 and 6, under the following heads: STEEL STOCKS, PULP AND PAPER, TEXTILES, MILLING, MINING, TRANSPORTATION, ELECTRIC RAILWAYS, LIGHT AND POWER. Other Stocks, including general industrial and other securities not embraced in the foregoing groups are arranged in alphabetical order.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High.	Low.
Barcelona	12⅛	—
Dom. Steel.	62¼	62
N.S. Car	13½	10¾
Mackay com.	89	88⅞
Mackay pref.	66½	66½
Bk. of Commerce	186½	186½
Duluth	50	50
Winnipeg	75½	75½
Steel of Canada	61	60¼
Steamships	34⅜	34¼
N.S. Steel	101½	100⅜
Can. Cement	60	59⅜
Pacific Burt pref.	80	80
War Loan (1925)	97¼	97¼
War Loan (1931)	96¼	96¼
Brazilian	43⅜	43½
General Electric	109½	109½
Maple Leaf	100	100
Tor. Gen. Trust	214⅝	214⅝
Locomotive pref.	88	88

WAR PROBLEMS AND AFTER, BY SIR E. WALKER

President of Bank of Commerce Addresses New York Banquet.

WHEN WAR ORDERS STOP

Sir Edmund Says That He Does Not Know What Will Come After and He Does Not think That Any One Else Does.

Speaking at the Trust Company banquet at the Waldorf last night, Sir Edmund Walker, president of the Canadian Bank of Commerce, outlined the steps taken by Canada to meet the problems arising from the war. When the war broke out, Canada was in far from a favorable economic condition. The international balance of trade was running heavily against her. There had been a collapse in trade expansion. At the end of the fiscal year March 31, 1913, imports exceeded exports by $300,000,000 and $125,000,000 besides was due for interest on securities held abroad. "We had thus $425,000,000 on the wrong side, internationally," Sir Edmund said, "and we had to sell, mostly in Great Britain $400,000,000 of new securities to help to square the account. The natural contraction, which followed, improved the figures, so that, by March 1914 the excess of imports was only $180,000,000, but as our interest bill, of course, increased, this left us still about $320,000,000 on the wrong side.

"When the Dominion fiscal year closed, March 31, 1916, we were delighted to find that, leaving out gold and bullion, our exports exceeded our imports by $249,000,000, so that, from the international point of view, we were well able to pay our foreign interest, and a large part of our war charges. For the present calendar year, the excess of exports is over $345,000,000.

"Following the action of the government in setting aside $50,000,000 for a credit in connection with munitions for the Imperial Government, the banks were called on to consider to what extent they could aid by buying Imperial treasury obligations. This they have done to the amount of $100,000,000 and they have undertaken to purchase $100,000,000 more in 1917.

"In September the minister of finance brought out his second war loan in Canada, and this time be confidently asked for $100,000,000. The loan was underwritten by the banks to the extent of $50,000,000, but, the subscriptions amounted to over $200,000,000, and not only did the banks obtain nothing on their underwriting, but the subscribers received only from about 35 to 50 per cent. of their subscriptions, except in the case of small amounts.

"We have raised an army of 400,000 in a country which thought it had nothing to do with war and we have at the same time produced the munitions and foodstuffs which so enormously altered our trade position.

"Our problem then is to keep enough men in the firing line, to take care of them, to make all the munitions for the Allies that we can, and to pay the interest on our foreign indebtedness, so that Canada shall bear her part in the war as nearly as possible out of her own resources. If we can do more than this, every dollar we can invest in the British Treasury obligations issued in payments for the munitions we have supplied, is in effect so much of an offset to our own war indebtedness. So if any man, rich or poor, withstands his desire to spend his money on something he can do without, whether he puts his savings into a war bond or into a bank, he has by that act helped to win the war,

"When the soldiers come home, and the orders for munitions stop, what then? Frankly, I do not know, nor do I believe there are any who do. We can estimate the force of some of the factors in the situation, but we cannot even guess at the number of factors, good and bad, to be considered. In 1865, most people thought that the United States was facing bankruptcy. How could a total national and private debt of about $6,000,000,000 be paid? How could employment be found for a million and a half of soldiers coming back from the front? In less than three years, however, these problems had been solved, and by 1868 business had become good. The expansion of business which followed the period of sharp readjustment after the war was so vast that by 1873 the country had to face the greatest panic the world had ever known. We shall probably have a bad time for a while, but the experience of the United States and the futility of all attempts to gauge the future since the war began should warn us not to prophesy, but to be prepared for almost any emergency."

AMERICAN CAPITAL FOR B.C. ENTERPRISES

New York Business Man Looks for Period of Prosperous Development After War.

Roger A. Pryer, Jr., a well-known business man of New York, is of the impression that there is in British Columbia such a wealth of natural resources, that a big boom is coming after the war. Money, in his opinion will be forthcoming for all kinds of lumbering, fishing and mining. "So vast is the accumulation of wealth in New York," said Mr. Pryer, "that much of it will, after the war is over, find its way into British Columbia. The opportunities for capital investment are unlimited. Of course, real estate is not very active, but you must turn your attention to fostering industries. You have abundant opportunities here for the establishment of shipbuilding yards, and drydocks, and there is no doubt that when the possibilities of the province and the coast are placed before the capitalists, some of these opportunities will be taken up."

THE SALMON EMBARGO HITS B.C. PACKERS HARD

Opinion on Coast That it May Not Apply to the Canadian Product.

Lloyd-George's announcement that canned salmon importations into Great Britain would be reduced fifty per cent. in order to provide cargo space for other essentials, has been the source of comment in this province since the despatch became known. In discussing the question, W. H. Barker, managing director of the B. C. Packers' Association, said that he could not believe the despatch could be correct. If such were the case, it would prove a very serious blow to the salmon canning industry on this coast, for the reason that Great Britain offers the principal market for the B. C. Packers, which has vastly increased since the commencement of the war. The United States has shipped three times as much salmon to the United Kingdom as Canadian canners. On account of the large salmon pack in the United States and the consequent prohibitive tariff, the new regulation if put into effect, would work a tremendous hardship on the West coast industry. One of the heaviest Seattle exporters of salmon said that the last season's pack had been all shipped and practically all went overseas. Seattle packers have received no word of the proposed restrictions. Other local interests are of the opinion that the restriction as above will only affect foreign importation—not Canadian.

A real estate, transfer, involving the sum of $104,000, was consummated at Montreal on Wednesday, when the Anglo-Canadian Realties, Limited, sold to Molson's Bank, a property at 163 West ward, with buildings fronting on Notre Dame West and St. Peter streets.

BUSINESS WAITS DEVELOPMENTS IN THE STATES

Manufacturers do Not Think Action of British Government Will Lower Prices.

THE BANK STATEMENT

Increase in Savings Continues and Indicates Preparation for Dominion Loan.

The attitude of uncertainty which has been evident for some weeks in the stock market is to some extent noted in regard to the general business situation although the former is undoubtedly a reflection of opinion as to the future rather than of the present. Conditions in Canada are at present largely affected by those prevailing in the United States and with that country on the verge of war there is naturally considerable speculation as to what effect participation in the conflict would have on industrial activities on both sides of the border. Opinion predominates that Mr. Wilson is being gradually forced to take a more positive stand. Whether he will go so far as to favor an aggressive campaign remains to be seen. Should he do so, and whether or not a European expedition might eventually be organised, there can be no doubt but that there would be renewed activity in the manufacture of munitions not only for American purposes but also for the Allies. Thus opinion is that so far as business is concerned the active participation of the United States in the great conflict would have a favorable effect rather than otherwise.

General conditions throughout the country show little change. Prosperity is general and promises to continue so indefinitely. However, there are indications of general realisation of the fact that the present conditions are abnormal and that business will have to suffer a readjustment when peace is again established. What those adjustments will entail can only be decided by the future and business men and economists make their forecasts with evident hesitation. However, on the whole it cannot be expected that, after a period of heavy spending and large borrowing, there can be the same measure of prosperity when that spending stops and nations adopt a policy of retrenchment. Therefore, business is showing a somewhat more conservative attitude and there is evidence of more general preparation to meet what the future may bring. On the whole it is probable that the changes will take place without any great shock for the reason that as they are expected they can in a measure be discounted.

The British embargo on imports has several serious aspects for Canada. At least it is quite evident that we are losing part of the trade of one of our best consumers of natural products and this will naturally have some effect. At the same time it is not impossible that our own cost of living will be somewhat reduced on account of the smaller export demand and if this is so, the embargo will not be an unmixed evil, especially for the industrial working classes. At the same time it is interesting to note that arrangemtnts have been completed for the supplying of American naval shells by a British manufacturer. However, the fact that this arrangement has only been assented to after the break between the United States and Germany may indicate that this ammunition may be considered as a factor in the fighting efficiency of the American navy.

The outlook is therefore for a continued demand for food stuffs at high prices and if this is maintained—as it surely will throughout the duration of the war—and if activity on shells continues there can be little need to fear that our prosperity will depart in the immediate future.

The Bank Statement.

An outstanding feature of the January bank statement is the evidence that public funds are being accumulated pending the new Canadian loan which will be announced on February 12th. This accumulation of funds has also been noted in a hesitant attitude on the part of investors and business generally. Savings deposits in January showed an increase of over $19,000,000. However, at the same time there was a decrease in demand deposits of $30,000,000. Total deposits were thus materially reduced. Altogether deposits are about $190,000,000 larger than a year ago, $150,000,000 of this being in savings, so that the people are evidently in a strong position to respond to the country's call for

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PUBLIC ENTITLED TO HYDRO-ELECTRIC AUDIT

Government Announced a Year Ago That Examination of Accounts Would be Made.

About a year ago the Government announced in the newspapers that Messrs. Clarkson & Sons, chartered accountants, had been instructed to examine the accounts of the Provincial Hydro-Electric Commission and to prepare a report upon them. A sufficient length of time has now elapsed to justify the belief that the report is now in the hands of the Government. The question is, when is it going to be put in the hands of the public? The Provincial Treasurer announced in his budget speech that the requirements for the Hydro-Electric would be put in supplementary estimates. Before these supplementary estimates come up for discussion it is absolutely necessary in the public interest that the actual state of the finances of the Hydro-Electric should be known.

If the report of Messrs. Clarkson & Sons is favorable, there could be no possible disadvantage to the Government in disclosing its terms. If it is not favorable, the public ought to know.

ARRANGING TO SETTLE DOMINION TRUST SUIT

Liquidator Asks Permission to Make a Settlement With Former Directors.

Readers of THE POST will remember the misfeasance suit brought by the liquidator of the Dominion Trust Co. of Vancouver against former directors of that company, the amount being $6,000,000. Litigation has been going on now for over a year, during which time the accountancy charges in connection with the preparation of the suit, have mounted to over $10,000. The liquidator has now applied for and secured permission to enter into a compromise with the directors to make a settlement out of court.

It will be remembered, too, that judgment was given against the directors in the first action before Justice Murphy, but this judgment was upset by the Court of Appeal, which referred the whole matter to the trial judge for further evidence. The compromise proceedings were started owing to the already heavy costs as above, in addition to the added costs of an appeal to the Privy Council. It is said that most of the directors involved have lost heavily in various private enterprises and would be unable to meet the judgment if it were given for the large amount claimed by the liquidator. It is proposed to make a settlement on the basis of $30,000, most of which would be in notes.

The Transportation Building Company, Montreal, had a fairly good year, C. S. Mitchell, the general manager, reporting a somewhat increased demand for office space. The prices remain about the same.

NOVA SCOTIA STEEL AND COAL EARNS 27 P.C.

Total Surplus of $3,535,086 Carried Forward New Year.

NEW RECORD OF SHIPMENTS

Business Shows Increase of 64 Per Cent. Over Previous Year—No Common Dividend.

The annual statement of the Nova Scotia Steel and Coal Company, for 1916, makes a remarkable exhibit. As will be remembered, Nova Scotia was one of the first companies in Canada to start on munition work, and in 1915 brought its output up to a high level. Notwithstanding, however, the records made in that period, it was only in 1916 that full advantage was obtained from the big plants of the company, and as a result the directors in their report to shareholders announce that the total shipments of finished steel forgings, etc., showed an increase of as much as 64 per cent. over the previous year. As applied to the shell department, production in the year of forged shells was 90 per cent. greater in number and 120 per cent. greater in weight than in 1916.

An idea of the extent to which the business of the company has now grown may be gathered from the profit and loss statement, which shows profits for the year after providing for maintenance and renewal expenditure on plant and equipment, but before deducting 1916 depreciation, interest charges, etc., of $4,222,373.07. From this amount provision for depreciation, business profits, tax for 1915 and 1916, Patriotic Fund contribution, sinking fund, interest, and reserve for doubtful debts, amounted to $1,490,586.10, making net profits before fixed charges $2,731,786.97. After allowing for fixed charges and preferred stock, the net surplus for the year amounted to $2,024,477. equivalent to 27 per cent. on the common stock. The company carries into the new year a total balance of $3,535,086, equivalent to approximately 46 per cent. on the common stock.

It is unnecessary to say that the operations of the company in 1916 far exceed in value any year in the past history of the company, and the net earnings are proportionately large.

The net output of munitions necessitated a large capital outlay on new plant, which absorbed a considerable amount of capital, and is reflected in the 120 per cent. increase in munition tonnage over the previous year.

Profit and Loss Statement of the Company shows as follows:

	1916	1915
Profits	$4,222,373	
Deduct—		
Prov. for dep. business profits tax, patriotic contrib., S. F. Int. and res. for doubtful accounts	1,490,586	
	$2,731,786	$2,094,169
Deduct—		
Int. on bonds......	$ 289,359	$ 291,665
Int. on deb. stock..	240,000	189,452
Int. on bank advances	97,949	
	$ 627,309	
Net profits ...	$2,104,477	$1,510,609
Net profits and surplus..........		$3,615,089
Dividends		80,000
		$3,535,086

In the report covering the year's operations, the directors say, in part:

"The operations of the company during the year were carried on under many difficulties such as scarcity of labor, supplies, and railway congestion.

"The capital expenditure during the year has been necessarily high, mainly in connection with munitions work.

"The sinking of the new Jubilee Shaft at Sydney Mines, work on which was discontinued in May, 1914, was resumed in April last. The shaft is now sunk to the depth of 740 feet, and by the use of a temporary hoisting plant this colliery is now producing about 550 tons of coal daily.

"Good progress was made in driving the new pair of slopes at Wabana. At the close of the year, over 70% of this work had been completed and it is confidently expected that the driving of these slopes

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BANK OF MONTREAL
Established 100 years (1817-1917)

Capital Paid up, $16,000,000. Reserve Fund, $16,000,000.
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Lord Shaughnessy, K.C.V.O. C. R. Hosmer, Esq. A. Baumgarten, Esq.
H. R. Drummond, Esq. D. Forbes Angus, Esq. Wm. McMaster, Esq.
Capt. Herbert Molson, Harold Kennedy, Esq.

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Assistant General Manager—A. D. Braithwaite
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A General Banking and Foreign Exchange Business Transacted.

NEWS OF SECURITIES—Situation Continues Dull

STEEL

The International Situation Continues to Dominate Market With Its Uncertainty.

By P. Bain, M.E., Editor Canadian Machinery.

The international situation continues to dominate the steel situation to the exclusion of everything else unless perhaps it be the railway congestion. The expectation of war between the United States and Germany, notwithstanding every effort that is being made at Washington to preserve peace, is tending to depress the market. A declaration of war would clear the air and result in a resumption of activity.

Although there has been some improvement noticeable in transportation conditions, aided materially by more favorable weather, the situation in the steel trade continues to cause considerable anxiety on account of the scarcity of coke and pig iron. Supplies of these materials coming forward to the furnaces are still inadequate, it has therefore been impossible to maintain, much less extend operations. Steel mills are operating at reduced capacity and the output for February is quite certain to be considerably under the tonnage anticipated. It is however reasonable to suppose that during the next three or four weeks transportation difficulties will decrease, a circumstance that will be reflected in increased outputs from the mills. The spring weather will also have a psychological effect on the situation.

Canadian interests continue to place large contracts for coke with American ovens, but shipments have been restricted owing to a decrease in output. The output of the byproduct ovens in the Sault Ste. Marie, Ont., district has been greatly curtailed owing to the difficulty in obtaining coking coal through railroad congestion; this is one reason for the unusual demand for coke to meet our requirements. Coke prices continue to advance, being now around $7 per ton at the ovens. Owing to the shortage of coke quite a number of furnaces in the United States have been banked and stocks of pig iron are unusually light. The pig iron market is thus very strong, prices having a decided upward tendency; Buffalo minimum price on pig iron is $33 at furnace.

The export demand for steel continues insistent, the mills having already booked considerable tonnage for 1918. The entire output is going into immediate consumption and stocks of all lines of finished steel are very light. Unfilled tonnage is steadily increasing, resulting in all steel concerns being in a very strong position. The amount of business in sight is enough to keep the mills running for a long time ahead of actual present demands, and the prosperity of the steel industry is not so dependent upon the continuance of the war as was the case some months ago. The high cost of steel is restricting buying of material for certain purposes, notably for buildings, and by the railways. These interests will be in the market when price conditions are more favorable, constituting a factor which will help to steady the market as the war demand falls off.

Prices of all steel products continue very firm, and indicate near future advances to higher levels. The steady advance in the U.S. market is an indication of what may be expected in Canada. The shortage of steel in this country is forcing consumers to fill their requirements in the United States. Canadian manufacturers urgently in the market for wire rods have succeeded in purchasing 6,000 tons from American mills at $80 to $85 a ton f.o.b. Pittsburgh, while the Dominion Government is endeavoring to purchase 6,000 kegs of railroad spikes for delivery between June 15 and Sept. 1. The season for municipal improvement and extensions is opening up and already tenders have been called on considerable quantities of cast iron pipe. Prices on cast iron pipe are now very high being approximately $53 per ton whereas before the war $36 was considered a good figure.

Regarding the plans of the Imperial authorities relative to the development of shipbuilding and marine engineering together with the auxiliary equipment incidental and necessary thereto, we are in a position to state that in at least one instance definite arrangements have now been concluded, and contracts arising therefrom placed. Immediate action is being taken regarding fulfillment of the latter. Reference was here made in our last week's issue to the fact that negotiations concerning the above had been entered upon and were making progress.

NOVA SCOTIA STEEL & COAL CO.

The question of a distribution, either script or cash, to the holders of the common stock of the Nova Scotia Steel & Coal Co., is apparently again postponed indefinitely. The directors met in Montreal on Feb. 28, to pass on the annual statement for 1916, but disbanded without taking any action with respect to a dividend. The attitude of the Board towards the dividend continues to be that with operations of the company as large as they are and with prospects of new business arising in the future, the better policy will be to conserve resources. The company's capital is relatively small to the volume of business it handles and it is not unlikely that the financial statement will show that to swing this business the company has to depend on a considerable measure of banking assistance. In such circumstances, however, large earnings may be, it is held to be poor policy to attempt to start dividends. The earning statement will show a surplus balance for 1916 of about $2,010,000, which would represent earnings at the rate of about 27 per cent. for the year.

CANADA FOUNDRIES & FORGINGS.

Canada Foundries & Forgings continue to show weakness, in spite of the fact that the company is filled up with business, and made big profits last year. These things are ignored by the investing and speculating public at the present time. The stock closed at 176 last week, but dropped to 170 this week, 175 shares changing hands at that figure.

CANADIAN CAR & FOUNDRY CO.

The Canadian Car & Foundry Co.'s long expected statement in connection with the Russian shell contract, is not yet forthcoming, but is promised before long. Just as soon as it begins to look as though everything was cleaned up, some new difficulty arises, and results in further delay. It is understood that some insurance complications have arisen in connection with the Kingsland fire, the final adjustment is in consequence proceeding slowly. Senator Curry, president of the company, was in town for several days last week, and a meeting of the directors was held, at which the situation was discussed at length. The Senator has returned to New York to wind up the business. The big French car order has not yet been placed, but word is expected in connection with this matter very shortly. The people of Fort William have been urging that the Fort William plant be re-opened, and it will be re-opened, we understand, if the company gets the business to warrant it; this business is not yet in sight, however. The preferred, which closed at 72 last week, opened up a little stronger on Monday, 50 shares selling at 73, but it weakened later, and sold at 71. The common, which closed at 28 last week, is down a point this week.

CARBON AND ALLOY STEEL CO.

Carbon & Alloy Steel Co., a new concern organized by Toronto and Hamilton interests, has recently obtained a Dominion Charter with an authorized capital of $1,500,000, and will erect electric furnaces and a steel foundry at Hamilton for the manufacture of steel castings, etc., by the Moffat electric process. The company will also take over the Moffat-Irving Steel Works at Toronto, which have been operating an electric furnace for some years. Plans have been prepared for buildings to cost approximately $100,000, while it is understood that another $200,000 will be spent on furnaces, electrical equipment, conveyors, cranes, air compressors and other foundry equipment. It is estimated that the plant will have a capacity of 24 tons of steel per 24 hours. The company also propose making alloy steels, including nickel steel, for which there is a large and growing demand. The Moffat furnace is designed for making steel direct from the ore. Canadian ores have and will continue to be used for this purpose, thus extending the field for the utilization of raw materials existing in Canada. T. B. O'Brien is president and A. T. Waddie and J. W. Moffat are vice-presidents.

DOMINION STEEL FOUNDRIES.

The annual meeting of the shareholders of Dominion Steel Foundries, Ltd., was held in Hamilton, Ont., on Feb. 23. This concern has had a most satisfactory year and is in an extremely strong position financially, as indicated by the fact that the liquid assets are now approximately $1,000,000, as compared with a capitalization of $1,750,000. The report showed net profits after depreciation and war taxes, of $927,000, equal to 92.7 per cent. on the common stock. The output for the year just closed was 60,000 tons of steel, and the management estimates that in the current fiscal year the output of the company will run approximately to 100,000 tons. During the fiscal period just closed, the total disbursements to the common shareholders amounted to 40 per cent., or $400,000. The dividends on the preferred amounted to 7 per cent, or $52,500. The old board of directors was elected, C. W. Sherman retaining his position as president and manager.

In the past few days the stock has been quite active, advancing from 182 to 190, and now selling at $187.

CANADA CEMENT CO.

Earnings of the Canada Cement Co. reached a new high level in 1916, the statement which has gone out to shareholders reporting a net profit of $2,218,848, an increase of $476,835 or 36 per cent. over 1915. Profits on munitions, referred to in the annual report of the Canada Cement Co. as "new business," have helped materially in the creation of this new record. The report states that the war business is progressing satisfactorily. Being regarded as temporary, however, allowance is being made by providing sufficient depreciation for the cost of the plant on completion of present orders. The position of the company is further strengthened, owing to the fact that the capital has not been increased to provide for the new plant. After taking care of bond interest and preference stock dividend, there remained a balance of $1,040,066, equivalent to 7.7 per cent. on the $13,500,000 ordinary stock outstanding. There was thus a fair margin over dividend requirements on the 6 per cent. per annum basis instituted during the year.

ALGOMA STEEL CO.

It is understood that the Algoma Steel Co. will pay off $2,500,000 of its three-year notes, thus taking advantage of the present business prosperity to improve its financial condition. Algoma Steel does not share the activity in the daily market operations enjoyed by other steel issues, not being listed on Canadian exchanges. The principal market for its shares is now London and Philadelphia. As in the case of other steel concerns, the Algoma Steel is suffering from a shortage of raw materials, particularly coke, operations at the company's by-products ovens at the Soo having been considerably restricted because of the difficulty of obtaining shipments of coking coal as a result of railroad congestion.

MONTREAL LOCOMOTIVE CO.

The Montreal Locomotive Co., who have for some time past been practically wholly engaged in the manufacture of munitions, have decided to extend their plant at Montreal. Building permits have been taken out for four distinct additions, at a total cost of $5,900. It is understood that the company have been very successful in their new enterprise and will doubtless have plenty of orders to fill when they return to the building of locomotives. The railways are badly in need of motive power and will have to come into the market where the various factors constituting it approach a more normal level.

HAMILTON STEEL WHEEL.

The stock of the Hamilton Steel Wheel Co., a subsidiary of the Dominion Steel Foundries, has been admitted to the unlisted department of the Toronto Stock Exchange. The issue price was 17, although it has been selling as high as 22. The authorized capital of the company is $2,000,000 of par value of $25 per share; $1,000,000 of it only is meantime involved.

DICKSON BRIDGE CO.

Reconstruction of the Dickson Bridge Co.'s plant at Campbellford, Ont., which was destroyed by fire some weeks ago, has been started. It is stated that the National Mfg. Co., of Ottawa and Brockville, have purchased a controlling interest, but that the firm will still be known as the Dickson Bridge Works Co.

CANADIAN LOCOMOTIVE.

The profits of the Canadian Locomotive Co. continue very large, and as the company last year made more than liberal provision for depreciation and amortization, a dividend on the common stock is believed in some quarters to be in sight. The stock has been inactive recently, but it is reported that insiders who are familiar with the liberal writing off, are picking up what offers. The common, which had had reached 58 before the slump of a few weeks ago was offered at 55 this week, with 53½ bid.

TEXTILES

Market Continued Firm Throughout the Week, But There Was Less Activity.

By H. H. Black, Editor Dry Goods Review.

Textile securities continued firm during the week, showing little fluctuation from the previous quotations, but less activity developed in connection with the stocks. At this time of the year, when the annual reports are being issued, there is a natural tendency for the prospective investor to wait until he sees a review and preview of factory results and possibilities respectively. So far the figures for the past year have been uniformly good.

Rather curious differences of opinion exist in regard to the conditions that will confront the textile trade in Canada for the balance of the year. It only goes to show that this war, like that in South Africa, has proved a "graveyard" for opinions, not excluding those of highly reputed financiers. Last week a leading wholesaler in Canada foresaw a happy condition of a bulging order chest for the woolen manufacturers, but a tapering off in business for the cotton goods makers. He was judging from his own lessened buying for next fall, and that of many of his retail customers.

FINANCIAL POST questioned another wholesale buyer of wide repute on Thursday of this week, but, while he admitted the force of the two arguments as quoted in this paper, brought forward others to maintain that "if the cotton textile mills cannot get through this year with big profits, they don't know how to run their businesses"—a supposition he would not admit. He pointed out that with the heavy orders on hand keeping the looms busy until July next at least on summer goods, they would not need very heavy fall orders to carry them through to the period when spring, 1918 would lay claim to their attention. Moreover, he held that with the cutting down of shipping, the imports from Great Britain in cottons would decrease materially, throwing a greater burden than ever before on the Canadian mills.

"And we must not forget the question of the duty. At present it costs us 40 per cent. (32½ and 7½) to bring in goods from the States, and 25 per cent., and 5 per cent. war tax, or 30 per cent. for the duty on British goods. But in reality, with the increased freight charges, insurance, etc., we really pay 16 or 17 per cent. extra on lines like flannelettes for instance, to land them in our warehouses, a total cost of 46 or 47 per cent. What a protection for Canadian goods and, incidentally, see how the preference is wiped out and more, in war time.

"The only possible chance for the cotton textile mills to have small profits in 1917 is a severe shortage of labor, that would cut down their output to a point where it would increase greatly, overhead charges. But I am pretty certain that the prices they are charging us now for goods—and prices we must pay—will go a long way to cover even an increased overhead."

Light is breaking for the knitted goods manufacturers over the supply of wool and yarn for this year. FINANCIAL POST was informed this week that the Department of Trade and Commerce had received assurances from the British Government—as had been hoped—that as soon as a census of the requirements now being taken, was finished, definite arrangement would be made for releasing a sufficient quantity for the Canadian mills.

So far as the woolen textile mills are concerned it is stated that nearly all the khaki orders that have interfered seriously with their domestic trade during the past two years and a half, are nearly all cleared up, and that they will be free for months to come, as the government secured a supply based on the assumption that recruiting would be far more active than it has proved this past year. This will leave them in a position to fill Canadian orders, a much more profitable business, it is agreed, unanimously.

CANADIAN CONVERTERS.

On June 15, 1915, the directors of Canadian Converters, decided not to declare any further dividends until business conditions improve. Business conditions have certainly improved with this company and THE FINANCIAL POST understands that the shareholders will be permitted to participate in the company's prosperity. Ten per cent. will be an inside estimate of the company's earnings the past year and the outlook for the coming year continues very bright. The company has been obliged to withdraw several of their lines, but on others are able to handle a little more business. In a general way, however, it may be stated that the output of the factories of the company is sold for many months ahead, at very satisfactory prices. The company's fiscal year closes on April 20, but the annual meeting is not held until June, and the detailed figures will not be available for some time yet.

The stock suffered very little during the dark days of depression, early this year, and has not dropped below 40. The asked price last week was 40¼. A director of the company said to THE FINANCIAL POST this week that the stock was intrinsically worth from 55 to 60.

CONNECTICUT COTTON.

The extensions which have been in progress at the plant of Canadian Connecticut Cottons, Limited, at Sherbrooke, Que., for some time, costing half a million dollars, are now nearing completion. When finished the capacity of the company's plant will be about doubled. Connecticut plant has had a very successful year, having earned close to fifteen per cent. on their common stock. The preferred dividends will, of course be paid, but it is not known yet, whether any dividend will be paid on the common or not. Probably in view of the large expenditures that have been made on plant, and the prospective large extension of the company's business, the directors may decide to conserve their cash resources. This is the only company in Canada manufacturing tire fabrics, and they have built up a very high reputation in that line. The company has orders on hand extending over a period of several years. This particular stock is not listed, and is closely held.

DOMINION TEXTILE.

With all the business accepted that can be received for the summer trade, the Dominion Textile Co. is bravely cutting down the arrears in deliveries that have piled up, and affairs in this respect will soon be on a much more satisfactory basis. Restricted offerings are being made for fall.

Only a couple of shares were registered this week, selling at 80, as compared with a range of 79½-82½ last week. In the preferred there was weakness at the opening with 100 only bid, but this was only temporary and the later sales were at 103, the average for some weeks.

MONTREAL COTTONS.

It was a very satisfactory statement that was sent to the shareholders on Wednesday of this week, given in detail elsewhere, showing an increase of 20 per cent. in manufacturing profits of Montreal Cottons over 1915, and a new high record.

There was no common stock sold last week, the preferred selling at 102, the same as the figure of one week ago.

MONARCH KNITTING CO.

The decision of this mill to invest in British Dyes, Ltd., the amount of £1,000, takes little from their capital, but is likely to prove a very wise investment. This dyeing concern is one that was organized in Great Britain in 1915 to make the dyes on which the whole world previously had been dependent upon Germany, and government assistance to the extent of investing $2,500,000 in stock, was granted. Several other Canadian mills hold shares, a condition necessary before any dyes can be bought from it, and the deliveries are reported to be improving constantly.

Now that the Monarch Knitting Company are going in more than ever for bright colors in silk sweater coats, and will be building up a similar line in silk hosiery, the need for an extensive range of dyes on which they can depend will become all the more pressing.

The common stock held at 40, and the preferred at 80, both the same as last week.

PENMAN'S.

Steady business to their capacity is the regular report now from this company. The stock is fairly closely held, and no sales were recorded this week; last week's being 85, the highest figure for the year.

CANADIAN COTTONS.

Canadian Cottons are still experiencing great difficulty in getting in their supplies of raw material, but they are hoping that the situation will improve shortly. They have a lot of cotton on the way which should have been at their mills weeks and in some cases months ago. The labor situation is still acute, but the company's output will show satisfactory totals when their statement is made public. There has been very little trading in the stock for some time, but a few shares of the preferred in share lots sold at 78 and 79 this week.

MILLING

Wheat and Flour Markets Firmer, but Little Effect on Securities.

By J. L. Rutledge, Editor Canadian Grocer.

The wheat and flour market in the past week has showed a decided tendency to firmness, but has had little effect on milling securities. Following Lloyd-George's outlining of the drastic measures taken to protect tonnage for the shipment of necessities, there developed a bullish effect in the market that was evidenced by fairly extensive buying by firms having access to the seaboard. Despite this evidence of strength, however, and the general feeling that the embargo on other lines might result favorably to the wheat interests, the market was not notable during the week by reason of any great advances. Closing on Wednesday of last week at 173⅞, it advanced steadily till on Tuesday of this week it registered 175, a gain in the five days' trading of only 1⅛, despite a market that gave a continual evidence of strength.

Flour reflected the same feeling as has been noted in the wheat market. Domestic and export business for the week have both been light. There is little encouragement in the tonnage situation to point to better shipping facilities, and consequently manufacturers are not inclined to expect any particular improvement in conditions.

While the car shortage is also an element of difficulty, yet this situation has opened up somewhat and it is possible to obtain shipments from the West on the basis of the proportion of 100 wheat to 30 of feed. Mill feeds are still very strongly in demand and the actual demand is greater than the mills are able to supply.

There has been no actual change in prices of flour. The strong feeling of the wheat market is holding flour to its present level, and as there is no present indication of a dwindling of confidence in the wheat market, there is little reason to expect any decline in flour at the present time.

MAPLE LEAF MILLING.

There was some trading in this stock this week and the tendency was toward firmness. The common showed an increase of half a point to 97½, while the trading in the preferred, which was of a somewhat less pronounced character, showed no change in price. The sales noted being at the figure which has been the mean for this stock for some time past.

OGILVIE MILLING.

There was some slight movement in the common stock of this company—there was a slight tendency to weakness—a drop of one point being registered between Monday and Tuesday's transactions. There seems to be nothing to particularly account for this decline except the general lassitude of the trading.

PULP AND PAPER

Another Week of Pronounced Quietness, With Prices Generally Slightly Lower.

A glance over the list of sales in the pulp and paper group for the past week, discloses a condition of decided quietness, with price tendency of the group again on the down grade. All the active stocks show either a decline for the week or else no movement either up or down. The situation may be illustrated by the following table, which exhibits the change for the week:—

	Close Feb. 22	Close March 1	Change
Laurentide	184	181	—3
Riordon	117½	117	—½
Spanish Com.	16½	16½	...
Spanish Pref.	53	53	...
Wayagamack	84½	83	—1½
Brompton	53	52	—1
N. A. Pulp	7⅝	7	—⅝

In their monthly review for February, Greenshields & Co., devote special attention to the newsprint controversy and under the heading of "A Dangerous Precedent," have this to say of the Government's action in fixing the price of the commodity in Canada:—

To the security owner, and for that matter to Canadian business generally, the most important event of the month is the proposal of the Dominion Government to impose upon the manufacturers of news print the necessity of serving Canadian publishers with their requirements of paper at not more than 2½c per pound, as compared with the open market price of 3c. and more. This restriction has been imposed as a war measure under the authority of an Order in Council.

The importance of this step lies not so much in its effect on the profits of the manufacturers of newspaper, however large or small such effect may be, but it lies in the establishment of a precedent for the arbitrary deviation by our Government from a principle which has always been regarded as one of the foundations of our industrial and financial system—the principle of non-interference with the law of supply and demand. The acceptance of the Government's right arbitrarily to fix the price of a commodity, save in the case of some great national emergency, such as exists to-day in Great Britain in regard to the food supply, might lead to the disorganization of our entire commercial situation. The gravity and significance of this action is not generally appreciated or understood because the newspapers, being the chief beneficiaries, have, with a few shining exceptions, either ignored or misrepresented the matter.

The abrogation of the law of supply and demand by the fixing of commodity prices, save in an extremity, to avert famine or disaster, has been recognized as bad economics by all students of public economy since Adam Smith. For those manufacturers or distributors who by combination or conspiracy interfere with the natural working of this law by raising prices for their own benefit, there are measures in nearly all countries which can be invoked to prevent and punish. On the same principle have the many agitations which have sprung up from time to time for regulation by the government of prices of such a commodity as wheat been frowned down and cast aside. It has been recognized that such action is wrong and dangerous whether for the benefit of the producer or the consumer.

In the last twelve months prices of practically all commodities have risen tremendously. The government's price tables are recorded each month in these reviews and our readers are well aware that increases of from 25 per cent. to 100 per cent. in many articles of public necessaries are common.

Among these commodities are such essentials of life as food, clothing and fuel. By the poorer class great hardships are being faced to-day as a result of high prices for such things as these, which are required to keep body and soul together.

No attempt has been made here to fix the prices at which these commodities should be sold. The Government has very properly refrained from such a step in which it would have no justification unless to avert some great disaster such as famine. Even then it would be considered by economists a step to be taken with great caution, because of the danger of throwing the machinery of production and distribution out of gear and preventing the inevitable natural decline in these high prices. The increased profits which high prices render possible to producers always automatically stimulate greater production and thus provide sufficient supply of the commodity to bring about the desired price reduction.

The Canadian Government has until this month wisely recognized that it should not interfere with this economic law, even though the people are directly affected and may have temporarily to go hungry, poorly clad or cold.

In view of this it had caused not a little astonishment that the Government should in one respect alone have recently swerved from this principle and proposed to fix a maximum for a commodity, the high price of which cannot seriously affect the safety of the public in any way and which cannot involve the question of a war emergency.

Here and there the newspaper, generally recognized as intrinsically the cheapest thing on earth, has been raised in price from 1c. to 2c., but even were its price to the average man quintupled, its cost would not be considered excessive in relation to its value, nor would such an action cause suffering to the public at large.

Were the present high price of news print the result of any illegal conspiracy or combination on the part of the manufacturers, the Government could immediately find a remedy under the Combines Act. It is not seriously pretended by the Government or any disinterested observer, however, that such is the case nor could it be so pretended as the price of news print paper is fixed in the American market, the largest consumer of news print in the world, where Canadian and United States producers are in free and open competition.

At the present time the open market price is 3c. per pound, as compared with a price of 2c. per pound which obtained previous to last year. The increase is due to the enormous increase in the consumption of paper; the elimination of the foreign supply, as a result of the war; the rapidly decreasing supplies of pulpwood and forest resources in the United States and the largely increased prices of every item entering into the manufacture of the commodity. In wheat is high on account of the decreased just the same way, the present price of supply and the increased demand, together with the increased cost of producing; in the same way are the prices high for coal, clothing, iron and steel and practically every commodity of common use.

With the prices of such commodities as these, the public welfare and safety are far more concerned than with the price of news print. It is a very small section of the public, simply those who are proprietors of newspapers, that are served by the Government's recent action. Even the consumers of other classes of paper such as wrapping, which have advanced far more in price than news print without Government interference, constitute a far greater unit in the population than the publishers.

If it is possible for any particular class, powerful enough, to secure the abrogation of the law of supply and demand, at the expense of some other class, not so powerful, any Canadian industrial and financial interest may be put in jeopardy, the safety of invested capital made subject to impairment and far-reaching disturbance invited to the stability of the country's commercial position.

Effect on Securities.

The effect of the Government's action on the pulp and paper securities is thus dealt with:—

Eighty-two per cent. of news print manufactured here is sold in the United States, so that but 18 per cent. of each producer's output is affected.

While this cuts down a proportion of each company's profits in the news print end of their business and, therefore, involves a current loss in profit, *we believe that the eventual effect will be to the benefit of news print manufacturers and to the detriment of publishers.*

The Government's action will result, as a check on future investment in new news print mills. Capital will not lend itself to the erection of new mills, with the possibility of restrictive governmental action threatening. As a result the increased supply of news print which would normally have resulted from present high prices will not come into existence. In other words, the effect will be to maintain present comparatively high prices indefinitely.

Monopoly Prices.

That publishers in the United States are facing the prospect of being forced to pay monopoly prices to Canadian manufacturers after the war, is the conclusion of Judson G. Rosebush, president of the Patten Paper Co., Appleton, Wis. We made this statement before the Bankers' Club of Chicago. Referring to the alleged "influence" of the publishers with Congress, he said:

"Whether this particular Congressional campaign will ultimately prove a success to the publishers is even yet uncertain, as the question of the ruling price for print paper after the war may be largely influenced by the strength of the recently formed Canadian Association of Export Print Paper Manufacturers. Since the frontier mills have heretofore controlled the price of print paper, it is easy to see that a strong Canadian association, which would be essentially removed from the operation of the Sherman Anti-Trust act, may result not alone in stable prices for print paper, but also in prices that contain an element of monopoly value."

Mr. Rosebush's address, which had for its subject "A Cycle of Paper Prices," was regarded in many ways as a remarkably frank analysis of the present situation from the paper manufacturer's point of view. He concedes that the high prices of news print do not correspond to the cost of production in the big mills, but, rather, to an economic condition which makes the smaller mills "pivotal."

In concluding his speech, Mr. Rosebush said:

"While to-day the paper industry of the United States is enjoying the prevalent prosperity, and there apparently exist no signs of an immediate let down, it would be a most grievous mistake to assume that the full force of frontier paper mill competition has permanently spent itself on the older paper making sections of this country. On the contrary, the truer and wider view is that when peace returns, when demand slackens, and when paper stocks increase, the frontier mills will again become the pivotal mills, again endeavor to complete the capture of the print market, and while doing that or even before also turn their attention generally to book and wrapping paper and thus re-introduce on those grades that competition with the mills in the older sections of the country which has so recently existed as to print paper.

"Once again, then as theretofore, the policy of the older companies will necessarily be to turn from ordinary book and low grade wrappers to papers in which raw wood and immense water power play less and less importance in the fixing of total mill costs, and in which skill, intelligence, and quality are larger factors in the making of the finished product.

"While this is not a pleasant prospect for the older companies to contemplate they at any rate clearly see that their whole movement must constantly be away from print paper in the direction of higher grades. If they pursue this policy with the same diligence as they have since 1908, there is no reason why their properties, like the cotton mill properties of old England, should not be able to hold their own as against mills which are located in newer manufacturing districts close to the source of the raw materials.

"Conscious of the struggle which may be ahead of them, paper manufacturers, in Wisconsin at least, are using wisely their present earnings. There has been a marked reduction in their bills payable and bonds; there has been some realignment of mill ownership, in order to promote the integration of individual companies; there has been but little new construction, because the present conditions are considered ephemeral; there has been a steady attempt to specialize on grades farthest removed from frontier competition; also, I am glad to say some paper mill money has been put into foreign secured bonds partly for investment and partly also for the purpose of doing a bit to conserve ultimately this country's credit abroad and its present stock of gold at home."

PRICE BROS.

The declaration of a three per cent. dividend by Price Bros. & Co., Ltd., this week, caused some confusion, because of the fact that the previous distributions had been at the rate of 1 per cent. quarterly. The directors explain that the three per cent. was declared to make up the full 6 per cent. dividend for the fiscal year which closed on February 28. The stock is now on a regular 6 per cent. basis. The company is enjoying a period of great prosperity. The lumber business has been considerably more profitable than for some years previously. 120 was asked for the stock this week, with 110 offered. No sales have been made for some time.

RIORDON.

The Riordon Pulp & Paper Co., whose annual statement was presented last week, intend erecting a new 500-ton sulphite mill at Haileybury, Ont. The survey is now being made. There is a keen demand for all the sulphite that can be produced by the company. The prices continue high, running from $100 to $140 a ton. The stock firmed up this week, the preferred selling at 92, as compared with 90 at the close of last week, while 120 was asked for the common, with 118 bid.

HOWARD SMITH PAPER MILLS.

Shareholders of the Howard Smith Paper Mills will have every reason to feel satisfied with the financial report which will be presented to them very shortly. In well-informed circles the statement is made that the volume of business done by the company was two-thirds greater than it was in 1915, which is believed to have been the best previous year in the history of the company.

So far as profits are concerned, these ran at the average rate of about $13,000 a month, which would indicate total net earnings of somewhere in the vicinity of $150,000 or more. The balance brought forward at the beginning of 1916 as shown by the statement for 1915, was $33,660. As this practically represented the profits for 1915, it will be seen what a splendid increase is shown in 1916. Adding this profit and loss, to the earnings for the year, 1916, and deducting therefrom various sums for depreciation and other charges anl allowances, a sum around $140,000 is understood to be available for dividends. This was drawn upon for three years' accumulated dividends on the 7 per cent. preferred shares, which would amount to $99,700, as the preferred stocks amount to $450,000. Apparently, therefore, the company will carry forward about $40,000 after cleaning up the three years' back dividends.

NORTH AMERICAN.

For the past two weeks there has been very little movement in this once popular paper stock. Such business as has been transacted has been at $7 a share.

SPANISH RIVER.

There has been rather more than the usual volume of trading this week in Spanish River common. The stock opened the week at 15¼, sold up to 17 on Tuesday and Wednesday, and closed at 16½ on Thursday. The preferred was lightly dealt in at 53.

WAYAGAMACK.

That the earnings of Wayagamack will not be affected seriously by the newsprint order is the opinion of Greenshields & Co., who point out that the company does not manufacture newsprint, devoting its activities to sulphate and kraft. A single sale of the stock was made during the week at 83.

BROMPTON.

Commenting on the effect of the recent newsprint order on the individual paper companies, Greenshields & Co. state that the Brompton Company makes only 16,500 tons of newsprint per annum, out of a total tonnage of 77,500, exclusive of lumber, shingles, etc. Of this, 16,500 tons, 18%, or 2,790 tons are affected to the extent of one-half cent per pound. The effect of the order has already been discounted, and, at 54, they regard Brompton as a cheap investment.

Trading in Brompton shares has been very quiet this week at 52½ to 63.

LAURENTIDE.

A few sales of Laurentide shares are reported this week at 181, which is about 3 points below the recent level at which the stock has been selling. Greenshields & Co. say that "pulp and paper stocks, having shared in the recent market declines, have more than discounted whatever effects the new provision may have. As speculative investments, they are nearly all intrinsically cheap. Most particularly is this true of Laurentide, now selling at around 185."

ST. MAURICE PAPER CO.

The St. Maurice Paper Co. have one machine in operation at their new mill, and are turning out about fifty tons a day. "We expect to have the other one started in about ten days," said Alex. McLaurin, the manager, to THE FINANCIAL POST. The St. Maurice Co. also have one digester at work in their new sulphite mill, but are having hard luck with their sulphate unit. The Sherbrooke concern that was making their tanks was burned out, and similar delays have been experienced with other portions of the equipment. The company has a ready demand for all the sulphite and paper that they can produce, and are shipping paper across the line at the present time.

TRANSPORTATION

Nationalization and Other Solutions of Railway Problem Are Being Discussed.

A measure of relief with regard to the car shortage has to some extent shifted interest in the transportation situation from the more immediate problem of the freight blockade to the larger issue of control, and in this connection possible nationalization of the big systems. The announcement of Sir George Foster, on behalf of the Government, that the recent situation was handled more effectively by the railroads than would have been the case had the Government interfered is significant. The attitude of Sir George and the support which he gives to the present system of public control through the Railway Commission is more positive than would be the case if there was any chance of the present Government recommending a general policy of nationalization.

On the other hand, there is a proposal to the effect that a consolidation be formed of the Grand Trunk, Grand Trunk Pacific, National Transcontinental and Canadian Northern. This is having the support of such authorities as S. O. Dunne, the editor of the *Railway Age Gazette*, who has given considerable time to the study of the Canadian transportation situation. It is altogether likely that Mr. Dunne expresses the opinion of other authorities than himself in connection with his solution of the problem. In fact, W. F. MacLean, who in the *Toronto World* is a strong advocate of the nationalization policy, asks who is behind this scheme, pointing out that its adoption would have the effect of defeating for all time the greater public ownership idea. Those who appreciate the efficiency of the Canadian Pacific organization, and are at all acquainted with the difficulties of securing anything like efficiency in a publicly-conducted service in a young country like Canada will, we believe, take the stand that it would be a mistake in the interests of the railway, the shareholders and the country as a whole to rob the system of its present control. On the other hand, it is evident that the Transcontinental and the Canadian Northern will not be able to stand solidly by themselves until there is a continuation of the country's development and some form of government support will have to be devised. Whether that of Mr. Dunne is the best that can be offered is, of course,

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

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JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

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Incorporated by Act of Parliament 1855

Capital Paid Up - - $4,000,000
Reserve Fund - - - 4,800,000

HEAD OFFICE, MONTREAL

BOARD OF DIRECTORS
Wm. Molson MacPherson, President.
S. H. Ewing, Vice-President.
Geo. E. Drummond
W. A. Black
F. W. Molson
Wm. M. Birks
E. J. Chamberlin
EDWARD C. PRATT, General Manager

NEWS OF SECURITIES

Continued from page 3.

open to question, but it is worthy of careful consideration.

The week's earnings statement shows that the Canadian Pacific and Canadian Northern Companies are maintaining their earning power at high level, but that there is another decline in the returns of the Grand Trunk:

	1917.	1916.	Change.
Can. Pac.	$2,225,000	$2,093,000+	$132,000
Can. North. ...	598,700	559,000+	39,700
Grand Trunk ..	956,485	963,484—	6,999
	$3,780,185	$3,615,484+	$164,701

The situation in the United States indicates that gross earnings are not what they should be under the volume of business. This is due to the fact that the systems are unable to handle the quantity of traffic being offered. The whole congestion has been primarily due to the rush of export freight to seaboard for which there were not ships available for loading. Embargoes were, therefore, enforced until the congestion was relieved. The situation is still bad, but railroad men begin to see light ahead by reason of the early breaking up of winter and the imminence of better operating conditions, but many of the uncontrolled factors in the situation will still exist after the advent of warmer weather and there does not appear to be anything in sight except the end of the war to correct these conditions.

In Canada one of the major difficulties being encountered in railroad operation is the shortage of labor and particularly mechanical labor. This same condition is true in the United States, even though in that country there has not been the heavy drain for recruiting which has been experienced here. Steel mills and munitions factories have enticed most of the railroad labor away through high pay, short hours and extra pay for overtime.

In the United States, the estimate is made that the railroad mechanical forces are reduced 50 per cent. and that the half employed is only about 50 per cent. efficient, because the best workmen have gone into munition plants. Under all the difficulties, it is being pointed out that about all the railroads are getting out of the present traffic plethora is' the core.

GRAND TRUNK.

Gross earnings of the Grand Trunk Railway for the week ending February 21, were $956,485 as against $963,484 for the corresponding period in 1916, a decrease of $6,999 or .77 per cent. This is an improvement over the figures for the previous week when there was a decline shown of 13.4 per cent. Comparative figures follow:

..	1917	1916	Increase	%
Jan. 7..	$1,012,906	$ 880,702	$132,204	15.02
Jan. 14..	1,072,915	966,301	106,614	11.03
Jan. 21..	1,026,907	980,914	45,993	4.7
Jan. 31..	1,564,660	1,459,499	105,161	7.2
	$4,677,388	$4,287,416	$389,972	9.02
Feb. 7..	$ 928,462	$ 937,937	*$ 9,475	1.0
Feb. 14..	828,671	957,195	*128,524	13.4
Feb. 21..	956,485	963,484	* 6,999	.7

*Decrease.

The Grand Trunk Pacific Railway reports gross earnings for the week ending January 31, of £21,972 compared with £17,533 for the corresponding period last year, an increase of £4,439. For the month the earnings were £67,784, an increase as compared with the same month last year of £3,237.

Grand Trunk Pacific officials announce that the inauguration of their service to Alaska has been attended with such success that its continuance has been decided upon for 1917. The steamships of the company, the "Prince George" and "Prince Rupert," will, therefore, be employed on the Alaskan voyages again this summer.

CANADIAN PACIFIC.

Gross earnings of the Canadian Pacific Railway for the week ending February 21, amounted to $2,225,000 compared with $2,093,000 for the corresponding period in 1916, an increase of $132,000 or 6.3 per cent. This compares with an increase for the previous week of 14.0 per cent. Earnings for the year to date as compared with the corresponding period last year follow:

	1917	1916	Increase	%
Jan. 7—	$2,238,000	$1,874,000	$ 364,000	19.4
Jan. 14..	2,417,000	1,863,000	554,000	29.8
Jan. 21..	2,215,000	1,910,000	305,000	15.9
Jan. 31..	3,071,000	2,733,000	338,000	12.9
	$9,941,000	$8,380,000	$1,561,000	18.8
Feb. 7..	$1,890,000	$1,876,000	$ 14,000	.7
Feb. 14..	2,180,000	1,912,000	268,000	14.0
Feb. 21..	2,225,000	2,093,000	132,000	6.3

The gross earnings for January were $10,158,307 as compared with $8,588,826 for the same month in 1916, an increase of $1,569,481. Expenses were $7,405,449, an increase of $907,031. Net earnings were $2,431,478 as against $2,090,408, an increase of $341,010. The following table shows a comparison between the figures for the month and the corresponding month last year:

	Jan., 1917.	Jan., 1916	Inc.
Gross	$10,158,207	$8,588,826	$1,569,481
Expenses ..	7,405,449	6,498,418	907,021
Net	2,431,478	2,090,408	341,010

add railroads ....

There has been a weaker tendency again in the market for Canadian Pacific stock, the price on Thursday declining to 151⅞, compared with a high for the week of 155, and for last week of 156¾.

CANADIAN NORTHERN.

The Canadian Northern Railway System reports gross earnings for the week ending February 21, of $598,700 as compared with $559,000 for the corresponding period last year, an increase of $39,700, or 7.1 per cent. This is the smallest increase yet shown for the year as will be seen from the following comparative figures:

	1917.	1916.	Increase.	%
Jan. 7..	$ 598,700	$ 541,100	$ 57,600	10.7
Jan. 14..	646,100	469,300	176,800	37.8
Jan. 21..	658,200	504,000	154,200	30.6
Jan. 31..	929,600	572,400	357,200	62.4
	$2,832,600	$2,086,800	$745,800	37.2
Feb. 7..	$ 493,600	$ 429,400	$ 64,200	15.3
Feb. 14..	602,000	453,100	148,900	32.9
Feb. 21..	598,700	559,000	29,700	7.1

From July 1, to date, the earnings were $26,158,400 as compared with $20,879,900, an increase of $5,278,500.

For the month of January the gross earnings amounted to $2,832,600 as against $2,086,800 for the same month in 1916, an increase of $745,800. Operating expenses were $2,350,500, an increase of $519,100. The net earnings for the month amounted to $482,100, an increase of $226,700, or 88.8 per cent. For the month the earnings compare as follows:

Gross ....$	2,832,600	$ 2,086,800	$ 745,800
Exp.	2,350,500	1,831,400	519,100
Net	482,100	255,400	226,700
From July 1—			
Gross	24,464,100	19,438,400	5,025,700
Net	6,778,200	5,779,900	998,300

Formal application by the Canadian Northern Pacific Railway Company for the twenty-six acres of the former Songhees reserve area to be utilized by the company for its Victoria terminals, has been received by Hon. John Oliver, Minister of Railways. The application follows the recent visit here of Sir William Mackenzie, president of the company, who discussed with the Government matters affecting the relations between the company and Government. The company does not offer any figure for the land but merely makes application for it.

That there is nothing in the report circulated that the traffic department or any other department of the C.N.R. was being moved to Montreal is the effect of the statement by D. B, Hanna, vice-president of the system. Mr. Hanna explains that some members of the staff are going to Montreal and others coming from Montreal to Toronto, but this is merely an adjustment of the interior needs of the company.

The action of the Ontario legislature in passing a resolution protesting to the Dominion Parliament against the approval of the C.N.R.'s plans for a line between Toronto and Hamilton indicates that the Beck public ownership influence is having a widening influence in the province. At the same time the legislature also objected to the Dominion house taking from the provincial house jurisdiction regarding local lines on the pretext that they were for the good of Canada as a whole. The chief point of course is that the entry of the Canadian Northern at Hamilton would interfere with the monopoly of the Hydro-Electric interests which seem willing to face everything but fair and reasonable competition with their vaunted profit-sharing ventures.

CANADA STEAMSHIPS.

The appearance of the annual statement, satisfactory though it was, had practically no effect on the stock market and quite evidently had been fully discounted. In fact, such is the humor of the market of late that no information seems to receive more than passing attention. Sales of common on Thursday were at 34½, and preferred at 84-85. A review of the statement will be found in another column.

ELECTRIC RAILWAYS

A Quiet Week on Market—The Issue With the Hydro Supporters Arouses Interest.

Holders of securities of electric railway and other public utility companies are following with interest the developments in Ontario as between the Hydro-Electric supporters and private concerns. The question of the entry of the Canadian Northern at Hamilton is being made the basis for a test of strength. The Ontario Legislature has come to the support of the Beck party, but it remains to be seen what the attitude of the Dominion Government will be. The action of the Legislature was to be expected, as Beck's popularity gives him great power in that quarter. Sir Adam has denounced the private ownership of railways, and has gone so far as to advocate a system of national electric roads. It will, therefore, be of interest to note the attitude taken at Ottawa in view of the Government support to the Canadian Northern and other steam systems. The Hydro interests are doing everything possible to prevent the carrying out of the C. N. R. plans at Hamilton, and Sir Adam has gone so far in his efforts to arouse public opinion, which is always responsive to the magic talk of public ownership, as to say that the fate of the whole hydro radial scheme depends upon the issue.

Electric Railway stocks have secured some attention this week, but as a whole the situation has been dull. Reports of earnings continue to be generally satisfactory, but high operating costs and expensive materials are cutting into net earnings.

Speaking at Hamilton on Thursday night, Sir Adam Beck said:

"Some worthy people and important in this Province," he said, "seem to mistake the purpose of the people's project. We are not here to destroy. Much has been said concerning the Dominion Cataract Company of this city. Gentlemen, we are ready to buy them out, stock and barrel, at a price we can justify to the people we represent. We are not here to destroy; we aim to build up. When the development companies, the transmission companies, the distribution companies, realize that the public project is here to stay, then we hope to meet them on fair and honest and businesslike terms, terms that cannot take account of water in stocks, and wherever possible take them over. All I stand out for is this: I must be able to go back to the public I represent and say to them truthfully: value received."

He asked that no action be taken to close with the Canadian Northern, in the public interest, until the facts were before the people. "All I ask of you, and I ask it not for myself, but for yourselves, is that you do not approve of the location of the railway until the report of the investigating Railway Commission is brought down to the Canadian Parliament, probably when it resumes. If that report is unfavorable, then I urge you, I plead with you, to go en masse to Ottawa, and for your own sake, for your children's sake, and for the sake of your children's children, call upon the Government to have courage and nationalize the railways of Canada."

DULUTH-SUPERIOR.

The gross earnings of the Duluth-Superior Traction Company for the month of January amounted to $128,973 as compared with $104,856 for the same month last year, an increase of $24,117 or 23.0 per cent. Operating expenses were $83,702, an increase of $8,250. Net earnings amounted to $45,271 as against $29,404, an increase of $15,867. Comparative figures for the month follow:

January—	1917	1916	Change
Gross	$128,973	$104,856+	$24,117
Expenses	83,702	75,452+	8,250
Net	45,271	29,404+	15,867

For the week ending February 21, the earnings were $29,066, compared with $25,579, an increase of $3,487 or 13.6 per cent., and for the year to date the amount was $214,852, an increase of $34,593, or 19.2 per cent.

TWIN CITY.

The Twin City Rapid Transit Company reports gross earnings for the month of January of $897,932, as compared with $830,283 for the same month last year, an increase of $67,649. Operating expenses showed an increase of $68,962, the figures for January this year being $612,161 against $543,199. The net earnings were $285,771 compared with $287.084, a decrease of $1,313. Comparative figures for the month follow:

January.	1917.	1916.	Change.
Gross rev.	$897,932	$830,283+	$67,649
Oper. exp.	612,161	543,199+	68,962
Net revenue ...	285.771	287,084—	1,313
Fixer charges ..	149,363	145,951+	3,412
Net income	136,408	141,132—	4,724

For the week ending February 14, the earnings were $206,748, as against $188,331 for the corresponding period in 1916, an increase of $18,416 or 9.78 per cent.

OTTAWA TRACTION.

Ottawa Traction made its appearance on the Montreal Stock Exchange on Tuesday of this week, and was quoted at 88 bid, and 90 asked. There were no sales. Traction has been paying 4 per cent. for some time, with a 1 per cent. bonus.

MONTREAL TRAMWAYS.

The Montreal Tramways is testing out a new and improved car, which is the last word in street car construction, and is prepared to make extensive improvements to its system just as soon as the franchise question is settled. The Tramway Commission has not reported yet, but is collecting evidence to guide in reaching a solution of this vexed question. There have been no transactions in the stock for some time, the latest sale having been made at 76.

BARCELONA.

There was some light trading in Barcelona Traction during the early part of the week, the tone of the market being improved to the extent that the range of 12¼-11⅞ compared with 11¾-11⅝ in the previous week. The volume of business has been light for some time.

BRAZILIAN.

Considering the quiet state of the market Brazilian has been receiving a fair share of attention in the trading this week. The prices generally have shown little change, although early in the week there was some evidence of strength when 45⅞ was touched. Thursday's figures were 44-43½.

Reports from Brazil are to the effect that there is every indication of prosperity there. Big consignments are constantly being sent to England.

DULUTH SUPERIOR.

Some slight attention has been given to Duluth-Superior this week with trading at 50, and little tendency shown to alter this price. A week ago sales were being made at 51.

PORTO RICO.

The first trading in several weeks in Porto Rico took place this week with the common at 35-36. At the 1st of last month the price was 40. No doubt the unsettled conditions prevailing in the South are responsible for the weakness shown, as the annual statement was generally regarded as satisfactory.

TORONTO RAILWAY.

The difficulties of the Toronto Dailway and associated companies with the Hydro-Electric interests and the city continue to make their appearance from time to time. The latest development has been the order of the Ontario Railway Board stating that in addition to the fifty cars now being built, the company must construct 200 more, to be finished one-half in May, 1917, and the other half in January, 1919.

Herman H. Pitts, one of the shareholders who attended the annual meeting and who was much in evidence as a critic and information seeker during the early part of the proceeds has evidently not only become a convert to the policy of the present directorate, but is preaching it to other shareholders. In a circular which he is sending to the stockholders he states that he believes the directors are acting in the best interests of the company and that to sell stock at the present prices would be a sacrifice. He points out that while Toronto antagonism affects the market for the stock, it does not affect the assets of the company, and adds:

"My advice is to hold your stock, and not be jollied, cajoled, frightened or dragooned into selling it. It must be quite apparent that this depression of all stock can only be temporary. A drop in the market price of Toronto Rails is only possible when some present holder gets discouraged. Most shareholders now have their stock for permanent investment, and they do not have to sell. Hold it. If you need the money, borrow from a friend, or the bank nearest you, on your stock. We have the word of the President that there is no likelihood whatever of a cut in the dividend. Most of you have paid in good money well over $100 a share, and it would be suicidal to sacrifice it. If the shareholders stand together, it will not be long before Toronto Rails takes its legitimate place in the sun."

There has been some trading in the stock during the week and the price has been well maintained. Thursday's prices were 85½-85¾, compared with 85½ at the close of last week.

LIGHT AND POWER

At Montreal this week the Court of Appeal gave judgment confirming the decision of the chairman of the Quebec Public Utilities Commission, F. W. Hibbard, K.C., referring back to the Electric Commission the question of rentals to be charged electrical companies for use of underground conduits, with a direction to "revise the charges assessed against the companies concerned." He held that the Electrical Commission's method of arriving at the rentals to be paid by the companies using the underground conduits—so much a running foot of the space occupied or reserved by each of the several companies—was not in accordance with the special statute governing the matter, and he ordered, in effect, that the rentals should be fixed in such a way that all the users of the system should bear their proportion of the cost of the entire system.

THE CAMAGUEY COMPANY, LIMITED.

THE FINANCIAL POST hears that the gross earnings of the Camaguey Co., Ltd., will show an increase over those of the previous year. A very large sum of money has been spent in plant extensions and renewals the past year. When the present interests acquired control of the property about six months ago, they found it very badly run down. The improvements that have been made will be reflected in the future earnings of the company. The detailed reports have not yet been received from the operating heads of the various subsidiaries at Camaguey, but it is expected that the annual meeting will be held in about six weeks. The question of dividends has not yet been considered, but in view of the fact that the company's properties require a lot of building up, the distribution, if any, is likely to be small this year. The gross earnings for the fiscal year ending December 31, 1915, were $222,913, and the surplus $38,600. A dividend of 1 per cent. was declared. The same dividend was paid in 1915. Nothing was paid in 1914, but previous to that 4 per cent. had been paid for the years from 1909 until 1912, inclusive. Two per cent. was paid in 1913.

The Royal Securities Corporation, which owns a controlling interest in the Camaguey Co., does not take the revolution in Cuba seriously. "No one has been killed, and no property damaged, as far as we have heard," said a member of the corporation to THE FINANCIAL POST. "It has not even approached the dignity of a riot yet," he said.

CALGARY POWER.

The report of the Calgary Power Company, which is expected along any day now, will show that the company had a very good year. It is now practically clear of debt, and this year will have a comfortable surplus to carry forward after paying bond interest. No stock dividends will be paid this year. The company's business is at the present time confined to two customers, viz., the City of Calgary, which takes 5,000 horse-power, and the Canada Cement Company's two plants. With the growth and expansion of Calgary the demand for power will, of course, increase. The net earnings of the company in 1915 were $237,159, which, after paying bond interest of $149,991, left $80.193 available for dividends. The surplus carried forward was $180,383. There is no trading in the stock.

PRINCE RUPERT HYDRO.

The final chapter in the sad story of the Prince Rupert Hydro-Electric Co., is about to be written. The receiver, G. E. Winter, has made his report to the Royal Trust Company, the trustee for the bondholders, and it is not an encouraging one. In effect, Mr. Winter says that the project is a hopeless one, inasmuch as there is no demand for power, even if the company had it ready to sell. He advises that the assets of the company be sold, and it is quite likely that his advice will be followed. The company has already received an offer for the two Diesel engines which it owns, and it is altogether probable that a deal will be closed in the near future. The other assets of the company in the shape of its water powers will also, be disposed of, if a favorable opportunity offers. The total amount provided by the bondholders was $662,000. This was all spent in making surveys for the proposed transmission lines; in the erection of a power house at Port Edward; and in the purchase of the two Diesel engines. The bondholders will get only a very small proportion of their money back. The hopes of the promoters were not realized, in any particular. The town of Prince Rupert is now less than three thousand population, instead of fifty thousand, which was predicted for it by this time, and consequently there is no demand for the power which the company expected to develop.

OTTAWA POWER.

The annual meeting of the Ottawa Light, Heat & Power Company failed to stimulate any activity in the company's securities this week. The stock, which had a high of 95¼, and a low of 92 last year, was quoted at 90 early this month, but there has been no trading.

CIVIC INVESTMENT.

The premier power security of the Montreal market, Civic Investment, as usual, received a fair share of attention during the week with late sales at 81¾ and a high for the week of 82. The position was fractionally higher last week, but there has been no real change in the situation.

CONSUMERS' GAS.

A few sales of Consumers' Gas took place during the week at 164½, which price showed no change. With the better movement of coal there has been an improvement in the company's affairs in this connection.

SHAWINIGAN.

Shawinigan received a fair share of attention during the week with the range of prices 126 to 127. The stock has maintained a strong position throughout the year and this has been warranted by the conditions of successful operation as indicated in the annual statement presented last week.

Continued on page 5.

Mercantile Trust Company of Canada, Limited

The Ninth Annual Meeting of the Shareholders of the Mercantile Trust Company of Canada, Limited, was held in the Board Room of the Company's offices, 11 Main Street East, Hamilton, on Tuesday, Feb. 27, 1917.

The President, Mr. Cyrus A. Birge, took the chair, and Mr. S. C. Macdonald, Manager, acted as Secretary of the Meeting. The report of the Directors was then read as follows:

To the Shareholders:

The Directors of the Mercantile Trust Company of Canada, Limited, have pleasure in submitting their Ninth Annual Report, to which is appended the usual Financial Statement, giving the results of the Company's business for the year ended Dec. 31, 1916, and the report of the Auditors certifying its correctness, including their report upon the examination of the several securities.

The net profits, after providing for salaries, advertising, rent of office premises and safety deposit vaults, commissions paid on loans (covering the full period of investment), and all other expenses of management, amount to $43,790.40, to which must be added the sum of $9,103.46 brought forward from 1915, and the premium of $135 received from sale of Company's Stock during the year, thereby making the total at credit of Profit and Loss Account $53,028.86, which has been dealt with by your Board in the following manner:

1.—Half-yearly Dividend No. 15 at 6 per cent. per annum paid July 2, 1916....	$14,015.84
2.—Half-yearly Dividend No. 16 at 6 per cent. per annum paid Jan. 2, 1917....	14,080.79
3.—To interest paid during construction—written off office premises..........	3,800.00
4.—Amount transferred to Reserve Fund from Premium on New Stock	135.00
5.—Balance carried forward in Profit and Loss Account	20,997.23
	$53,028.86

The Assets and Liabilities Statement shows that the total assets in the hands of the Company amount to $5,034,786.00, being an increase over the preceding year of $687,327.18.

The Directors record with deep regret the death of one of the Vice-Presidents, Mr. George Rutherford, and wish to express their appreciation of the great services rendered to the Company by him since its inception.

Mr. C. S. Wilcox has been appointed a Director to fill the vacancy on the Board.

Respectfully submitted,
CYRUS A. BIRGE, President.

Hamilton, Feb. 14, 1917.

Balancc Sheet December 31, 1916

ASSETS.

CAPITAL ACCOUNT—		
Real Estate Mortgages	$ 360,387 89	
Stocks, Bonds and Debentures	174,753 61	
Collateral Loans on Stocks, Bonds, etc.	45,467 23	
Office Premises	54,254 63	
Safety Deposit Vaults, Safety Deposit Boxes and Office Furniture	13,029 80	
Real Estate acquired under foreclosure	17,873 06	
Other Real Estate	39,538 24	
Sundry Assets	2,390 15	
Cash on Hand	200 00	
		$ 707,894 61
GUARANTEED ACCOUNT—		
Real Estate Mortgages	$ 399,820 87	
Cash in Bank	999 67	
		400,820 54
TRUST ACCOUNT—		
Real Estate Mortgages	$ 485,591 73	
Government and Municpal Debentures	267,579 94	
Stocks and Bonds of Incorporated Companies	15,477 90	
Loans on Debentures, Mortgages, Stocks, Bonds, etc.	4,997 77	
Special Deposit to cover retirement of bonds, under a mortgage of which the Company is Trustee	489,043 38	
Cash on Hand and in Banks	148,169 59	
	$1,410,860 31	
Original Unrealized Assets, including Real Estate, Mortgages, Debentures, Stocks, Bonds, etc., at Inventory value........	2,515,210 56	
		3,926,070 87
		$5,034,786 02

LIABILITIES.

CAPITAL ACCOUNT—		
Capital Stock Paid Up	$ 469,500 00	
Reserve Fund	70,365 00	
Reserve for possible Depreciation in Value of Assets..........	25,000 00	
Div. No. 16, due Jan. 2, 1917	14,080 79	
Due to Banks and Bankers	107,951 59	
Balance of Profit and Loss carried forward	20,997 23	
		$ 707,894 61
GUARANTEED ACCOUNT—		
Guaranteed Investments		400,820 54
TRUST ACCOUNT—		
Trust Funds for Investment or Distribution		1,410,860 31
Inventory Value of Original Assets of Estates, Trust and Agencies in hands of Company for Administration and Management		2,515,210 56
		$5,034,786 02

AUDITORS' CERTIFICATE.

February 14th, 1917.

To the President and Directors of the Mercantile Trust Company of Canada, Limited:

We beg to report that we have examined the books and accounts of your Company to Dec. 31, 1916, and find them correct and in good order, and we have been furnished with satisfactory vouchers for all expenditures.

We have examined the Securities owned by your Company and those representing investments made by your Company on behalf of Trusts and Estates in the Company's hands and find them correctly set forth in their respective ledgers. We have further verified the Bank balances as shown by the Books.

We have certified to the accuracy of the statement of Profit and Loss, and Assets and Liabilities submitted herewith, and these represent correctly the books and affairs of the Company as at the above date.

(Signed) C. S. SCOTT, F.C.A. } Auditors.
G. E .F. SMITH, C.A. }

The following Directors were elected: Cyrus A. Birge, Hamilton; Major Henry L. Roberts, Grimsby; C. C. Dalton, Toronto; A. E. Dyment, Toronto; J. J. Greene, Hamilton; Thos. C. Haslett, K.C., Hamilton; Sir John S. Hendrie, K.C.M.G., Toronto; J. F. Kavanagh, Hamilton; Lt.-Col. John I. McLaren, Hamilton; Lt.-Col. W. H. Merritt, St. Catharines; Colonel C. S. Mewburn, Hamilton; Stanley Mills, Hamilton; James Turnbull, Toronto; C. S. Wilcox, Hamilton, and W. A. Wood, Hamilton.

At a subsequent meeting of the Board, Cyrus A. Birge was unanimously elected President, James Turnbull and Major Henry L. Roberts, Vice-Presidents, and T. C. Haslett, K.C., Chairman of the Executive Committee.

C. H. ROOKE, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 15th day of February, 1917, incorporating Francis Peart Dawson, John Edward Corcoran and William B. Horkins, students-at-law, Annie Bell, accountant, and Katherine Greenstreet, stenographer, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.: (a) To carry on the business of manufacturers, distributors and dealers in Delco-Light products, gasoline engines and devices and contrivances to convert electric energy into heat, light and other uses, and to carry on the business of furnishing, erecting and installing such products, engines, devices and contrivances, and generally to carry on the business of manufacturers' agents, and to purchase or otherwise acquire any patents, patent rights, licenses or other interests conferred in exclusive or limited right to use any invention which may seem capable of being used for the purposes of the company; (b) To amalgamate the business undertaking and good will or any part thereof of heretofore carried on by C. H. Rooke and all or any of the assets thereof, and to pay for the same in cash or wholly or partly in shares of this company, and to assume any or all of the obligations and liabilities o fthe said business; (c) To purchase, lease or otherwise acquire, and to hold, exercise and enjoy all or any of the property, franchise and good-will, rights, powers, licenses and privileges held or enjoyed by any person or firm or any company or companies carrying on a business in whole or in part similar to that of the company and to pay for such property, franchise, good-will, rights, powers, licenses and privileges wholly or partly in shares of this company, wholly or partly paid-up; (d) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (e) To acquire or own the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (f) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (g) To enter into any arrangement with any governments or authorities, municipal, local or otherwise, that may seem conductive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with or surrender any such arrangements, rights, privileges, concessions and franchises; (h) To promote any company or companies for the purpose of acquiring or taking over all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (i) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade; (j) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (k) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company; (l) To sell, lease, hire or otherwise deal with the property, undertaking and assets of the company, or any part thereof, for such consideration as the company may think fit, and to promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company; (m) To distribute any of the property of the company among the members in specie, or to invest and deal with the moneys and assets of the company not immediately required in such manner as may from time to time be determined; (n) To pay out of the funds of the company all the expenses of or incidental to the formation, registration and advertising of the company, and to remunerate any person or company for services rendered in or about the promotion of this company or the conduct of its business; (o) To adopt such means of making known the business of the company and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (p) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company, and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the company; (q) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (r) To do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "C. H. Rooke, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 19th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

NEWS OF SECURITIES

Continued from page 4.

MINING STOCKS

Market is Weaker, And Has Been Affected Adversely by the Controversy Over Kirkland Lake Purchase.

The mining market is always extremely susceptible to influences which in other markets might not have so much effect on trading. For instance, two weeks ago, the Hollinger dividend question was a factor that weakened not only the particular stock involved, but the whole list of mining stocks as well. This week there is the controversy over the proposal by the directors of the Temiskaming Mining Company to buy shares in the Kirkland Lake Company, which has had an even more disturbing effect than the Hollinger dividend reduction question itself. Under its influence the market has been very weak, price recessions being registered in nearly every stock. Of course, there are other adverse influences of a more general nature to occasion weakness, but brokers are inclined to blamé the Temiskaming-Kirkland Lake proposition for most of the trouble.

Silver metal has also been quoted at a slightly lower figure. A week ago the New York price was 77⅝ cents. Yesterday it was down to 76¼ cents. The decline has been very gradual. Commenting on the recent high price, Samuel Montagu & Co., London, say: "Although this is the highest quotation since June, 1893, it may be as well to bear in mind that in 1892 it reached 43¾d.; in 1891, 48¾d; and in 1890, 54⅝d. The present quotation, therefore, can only be described as a high one in relation to prices ruling during more recent years.

"It is an interesting fact that the value of the silver imported into this country in 1890 was practically the same as that of the year 1915, but on the other hand, the amount of silver coined in England during the latter year was nearly £8,000,000, against £1,700,000 in 1890, leaving a balance for other purposes of £8,800,000 in 1890, against about £2,750,000 in 1915, the last figures completely available."

MINING CORPORATION.

One of the interesting announcements of the week in mining circles was that the headquarters of the Mining Corporation of Canada, which control the Cobalt Townsite, Cobalt Lake and City of Cobalt Mines, would shortly be removed from London to Toronto. While there has been practically no market for the stock of the Corporation in Canada, it is anticipated that the change will result in the development of a following for the shares in this country.

TRETHEWEY.

At the annual meeting of the Trethewey Mining Company on Wednesday only routine business was transacted. The old board, as re-organized following the death of Col. A. M. Hay, was re-elected, with S. R. Wichett as president.

There has been only light trading in Trethewey shares, the stock being offered at 19, with bidders at 17.

McINTYRE.

It is announced that the McIntyre management are arranging to sink the shaft on the Jupiter, from the 500-foot level to the 1,000-foot level. By cross-cutting, the workings on the Jupiter will then be connected with those on the McIntyre Extension on the latter's 1,000-foot level.

The stock has been weaker of late, selling down between the opening on Monday and the close on Thursday from 1.85 to 1.82.

LUCKY CROSS.

The annual meeting of the shareholders of the Lucky Cross Mines, of Swastika, takes place next Wednesday in Toronto. The mine is not being operated at present, and shareholders are advised that the company is in debt to the extent of about $60,000. The bondholders have given notice that their claims must be met next month.

VIPOND.

The amalgamation of the Porcupine Vipond and North Thompson companies is now reported to be complete, the new company being known as the Porcupine V. N. T. Gold Mines, Limited. The property comprises four claims of 40 acres each, lying immediately south of the Hollinger and east of the Porcupine Crown. The North Thompson has been developed by an English company, while the Vipond has been under Canadian management.

Vipond shares have been weaker since Monday, declining from 47 to 44½. North Thompson shares have not been dealt in.

CHAMBERS-FERLAND.

The Aladdin-Cobalt, which controls the Chambers-Ferland Company, though there is still a minority in the latter who have not exchanged their holdings for Aladdin stock, has declared a 2 per cent. dividend. The declaration is naturally an inducement to Chambers-Ferland shareholders to exchange, but the fact that there is no market for Aladdin shares, while there is one for Chambers-Ferland acts as a deterrent influence.

The stock has sold down a point from 15½ to 14½ during the week, with trading light and intermittent.

TEMISKAMING.

The proposal that the Temiskaming Company should take over the 616,000 shares of Kirkland Lake stock, still held by the Kirkland Lake Syndicate, in connection with the deal by which Beaver Consolidated acquire control of the Kirkland Lake mine, has precipitated a controversy which will come to head at next week's special meeting of Temiskaming shareholders. It was at first thought that the plan involved the purchase of shares from the Beaver, but, as President Culver explained, the purchase would be made through the Beaver, the latter having optioned the property. Mr. Culver believes the deal will be beneficial to the Temiskaming, as the Kirkland Lake property gives every evidence of being a big money-maker.

Temiskaming shares reacted from 60 to 54 during the week, closing on Thursday at 54½.

CONSOLIDATED SMELTERS.

Total receipts at the Trail Smelter for the week ending Feb. 14 were 11,150 tons of ore from twenty-eight mines, which brings the total receipts at the smelter for the first six weeks of this year to 55,811 tons. Over 3,000 tons of zinc concentrates were included in this shipment from the Lucky Jim mine in the Slocan District, which made such a favorable report recently under the receiver, A. G. Larsen, and the Sullivan mine in the East Kootenay. The Millie Mac mine made a first shipment of 18 tons which it is said will average $250 per ton in silver, lead and gold. Other new shippers were the Ruth and Burton mines. Ore shipments from the Rossland District, which amounted to 2,543 tons, made an increase over the previous week. With the settlement of the Crow's Nest coal strike it is expected that the smelter will again operate to capacity, only two copper furnaces being used at the present time.

The regular quarterly dividend at the rate of 2½ per cent. on the paid-up capital stock of the company, for the quarter ending March 31, has been declared. It will be payable April 2, to shareholders of record, March 10.

The stock has been selling this week between $31 and $32 a share.

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OTHER STOCKS

Market Continues Very Dull and Stoves Receive Only Scant Attention.

Developments have little effect upon the specialty stocks. In fact the whole tenor of the market continues very dull. International complications fail to lift trading out of the rut and even such financial statements as have been presented are received with scant atttntion. Generally speaking the Canadian situation seems to be waiting for a lead from New York but on Wall Street, despite the interesting developments at Washington, there is no movement and the turn of events seems to have been pretty well discounted. The undertone is firm and, if anything, improved. Traders are of the opinion that the period of inactivity has resulted in a strengthening of the whole position and that it would not require a very strong demand to improve prices. Price movements have not however been important and the whole situation is very quiet with the public showing minimum of interest.

Ames-Holden-McCready.

Officials of the Ames-Holden Company are inclined to the belief that the restrictions which have been imposed upon the importation of leather by the British Government will enable the Canadian manufacturer to get his leather a little cheaper than otherwise would have been the case, and it is possible that this reduction will be somewhat reflected in the price of shoes. The principal obstacle to lower prices is Fashion's decree that women's skirts are to continue short, and her boots correspondingly high. This is where much of the leather goes. The Ames-Holden Company is having trouble in getting in raw material, owing to the freight embargoes, but up to the present time has not found it necessary to curtail operations on this account. It is expected that the situation will improve before long. The fiscal year closes on April 30, but while the company had a good year, the directors have given no indication as yet what their intentions are in respect to dividends. The shareholders have received nothing since July 1, 1914. The stock is inactive, at 20 asked and 17 bid, for the common, while the preferred is down to 50, a board lot having changed hands at that figure on Monday. The preferred went as high as 80 during the boom days last year and has sold up to 59 this year.

B. C. Breweries, Limited.

Holders of the securities of the B. C. Breweries, Limited, which has been in the hands of a receiver, will be pleased to learn that the company has had a very good year's business. The annual report of the receiver, S. L. Prenter, will be mailed to the shareholders and bondholders shortly, and will show that considerable progress has been made under his management. The bank indebtedness has been entirely wiped out, and the company now has a surplus of about $100,000 in the treasury. "I think it quite probable that there will be some distribution for the bondholders on the past year's business," said Lawrence Macfarlane, K.C., of Montreal, one of the directors, this week.

When the company defaulted on its bond interest, due January 1, 1915, the bondholders deposited their bonds with the Equitable Trust Company, of London, as depository. Of the $3,000,000 outstanding common stock, only one dividend, of 2 per cent., was paid. The company had a deficit of $68,064 in the year ending December 31, 1914. The B. C. Breweries control all the important breweries in British Columbia, viz.: the Vancouver Breweries, Canadian Brewing and Malting Co., Union Brewing Co., and Pilsener Brewing Co. It also controlled between 50 and 60 leases of licensed houses in Vancouver, but, if prohibition finally becomes law, the latter will be of doubtful value.

B. C. Lumber Corporation, Ltd.

The receiver of the B. C. Lumber Corporation, whose affairs have been at a standstill for the past two years, has not yet been able to pay the interest on the receiver's certificates. The money was used to protect the properties from deterioration, and was borrowed by order of the court. It will be necessary for the company to be completely reorganized and put on a new basis before operations can be resumed. In the meantime, the comforting feature of the situation is that the various lumber properties owned by the concern are steadly increasing in value. It is the confident expectation of the people on the Pacific Coast that a great export lumber trade will eventually be developed with the Orient, through the Panama Canal, and when that day comes, the B. C. Lumber Corporation will benefit very materially. The offer which was received some months ago for one of the company's properties at New Westminster did not materialize into a sale. Under favorable conditions, if the properties are not sacrificed the bondholders will, no doubt, eventually get all their money, and something may be left for the preferred shareholders; but there is little or no hope for the common shareholders ever getting anything.

B. C. Packers.

Officials of the company are alarmed at the prospect of the British embargo on canned salmon going into effect, as announced, as it would have an almost disastrous influence on the export business. However, the hope is expressed that it may be found later that it is not intended that the measure should apply to Canada.

Black Lake Asbestos.

The annual statement of the Black Lake Asbestos and Chrome Co., will be out shortly, and will show largely increased earnings, not only from asbestos sales, but also from the chrome iron deposits, which are said to be the largest so far discovered on the North American continent. The company willl pay a dividend of 2 per cent. on the income bonds, for the past six months, and expects to pay the same amount the next six months. After that it is confidently expected that six per cent. will be regularly paid on the bonds. The preferred shareholders will have to wait awhile longer, but the prospects of a distribution for them are not so remote as they might have appeared at one time.

Canada Cement.

The splendid statement of the Canada Cement Company, to which detailed reference is made elsewhere in this issue, created a very favorable impression in financial circles, although it had comparatively little effect upon the stock market. Earnings, do not interest the public greatly these days. Until the air clears evidently there will be very little activity on the stock exchange, no matter what kind of a statement may be made. With its munitions plant expenditures practically all written off, it would appear quite reasonable to expect an even more satisfactory statement next year, particularly as the prospects for the cement business seem fairly bright for the coming year. The company's chief difficulties are due to the congestion of the railways. The preferred, which wound up last week at 92, advanced to 93 this week, but later receded to 92¼. The common advanced fractionally, but is hovering around 60 again.

Canada Bread.

There has been a stronger tendency in the wheat and flour markets during the week but not sufficient change to affect that position of such companies as Canada Bread. There has been practically no trading in the stock the only transaction of the past couple of weeks being in the common at 16 or half a point below the previous sale.

Canadian General Electric.

Canadian Electric Common has been showing up intermittenly in the trading during the past two weeks although the total volume of business done has been small. Late sales were at 109 which shows practically no change. There has been no trading in the preferred for some time.

The affairs of the City Dairy company are understood to be moving along in satisfactory manner in the hands of the new management although it is not expected that there will be any material improvement for some time owing to the peculiar and abnormal conditions which prevail. The securities continue as a dead issue on the market.

Carriage Factories.

Since the small interest shown in the common stock of Carriage Factories about the time of the appearance of the annual statement there

Continued on page 6.

The Index of Progress

A Trust Company's progress is based on public confidence and esteem. The figures which indicate the growth of such confidence and esteem are those of *assets under administration.* They express the growth in volume of business entrusted to the company for management.

Assets under administration:

1907	$14,000,000
1908	17,000,000
1909	22,000,000
1910	24,000,000
1911	28,000,000
1912	38,000,000
1913	44,000,000
1914	51,000,000
1915	59,000,000
1916	69,000,000

Write for our 1916 Report

National Trust Company
Limited

Capital Paid-up, $1,500,000
Reserve, $1,500,000

18-22 King Street East, Toronto.

Southern Loan and Savings Co.
ST. THOMAS

At the meeting of shareholders (being the 46th since the founding of the Company and the 14th since the amalgamation of the various Companies forming the present Corporation), held at the Company's office on 15th February, 1917, Wm. Mickleborough, President, in the Chair, the following BALANCE SHEET, as on 31st December, 1916, was presented.

LIABILITIES.		ASSETS	
To the Public:		Loans on Real Estate	$2,222,368.22
Deposits and Accrued Interest	$ 492,633.82	Loans on Debentures	2,802.64
Debentures and Accrued Interest	694,598.68	Government Bonds and Municipal Debentures	115,264.67
Banks	22,176.39	Company's Building	22,000.00
	$1,209,408.89	Cash on Hand	10,202.80
To the Shareholders:			
Capital	$ 908,950.00		
Reserve Fund	215,000.00		
Dividend No. 27	27,268.50		
Balance Forward	12,011.94		
	$1,163,230.44		
	$2,372,639.33		$2,372,639.33

In reviewing the year's operations, the President stated that 1916 had been the most prosperous in the Company's history, and pointed out that since the last report, Deposits had increased $39,000, Debentures increased $36,000, Mortgages held by the Company increased $60,000, and Bonds and Debentures owned increased $76,000.

A grant to the Red Cross Society of $500 was ratified by the Meeting and the following elected Directors for the current year: Wm. Mickleborough, Geo. K. Crocker, R. Kains, Jas. A. Bell, C. W. Marlatt, E. A. Miller and W. L. Wickett.

At a subsequent meeting of the Directors, Wm. Mickleborough was elected President, Geo. K. Crocker, Vice-President and R. Kains, 2nd Vice-President.

J. W. STEWART, Manager.

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THE STANDARD BANK OF CANADA

Report of the Proceedings of The Annual Meeting of Shareholders

Wednesday, 28th February, 1917

The 42nd Annual Meeting of the shareholders of the Standard Bank of Canada was held at the Head Office of the Bank, 15 King Street West, Toronto, on Wednesday, the 28th February, 1917, at 12 o'clock noon.

Among those present were:—R. H. Cosbie, Jas. Wicher, Dr. T. E. Kaiser, W. F. Cowan, W. H. Parr, Jas. E. Baillie, C. M. Gripton, W. Francis, J. K. Niven, Dr. F. Le M. Grasett, Dr. Chas. O'Reilley, E. N. Saunders, J. C. Black, Rev. T. W. Patterson, H. R. Playtner, W. F. Allen, F. W. Cowan, H. C. Bloomer, E. Roach, T. H. Wood, Geo. J. Blackwell, W. C. Harvey, J. K. Fisken, Thos. Crawford, M.P.P.; W. T. Ashbridge, Frank Russill, Wm. Burns, R. E. Kemerer, Stephen Noxon, Lt.-Col. C. A. Denison, Capt. T. J. Mathews, A. M. M. Kirkpatrick, H. H. Loosemore, J. R. Howard, S. B. Gearing, J. C. Cummins, J. S. Loudon, F. Fowke, Geo. P. Scholfield, S. Alcorn, J. P. Owens, Chas. Larke, Geo. N. Brown, H. S. Loudon, W. C. Crowther, Richard Tew, H. F. Gooderham, J. D. Storie, Thos. Galbraith, F. Roper, C. W. Copeland, H. T. Carswell, J. H. Hyland, Dr. J. B. H. McClinton, Chas. W. Scott, W. C. Boddy, Capt. E. L. Williams, Lt.-Col. Geo. C. Royce, L. C. Van Bever, Lt.-Col. J. F. Michie, Sir H. M. Pellatt, Hamilton B. Wills and others.

On motion, the President, Mr. W. F. Cowan, took the chair, and Mr. E. A. Bog, Chief Inspector, who acted as Secretary of the meeting, read the report.

Your Directors, in presenting to the Shareholders the Forty-second Annual Report of the affairs of the Bank for the year ending 31st January, 1917, have pleasure in stating that the funds have been well employed during the past twelve months and a satisfactory increase is shown in all departments.

The Net Profits, after making provision for bad and doubtful debts, rebate of interest on unmatured bills under discount, exchange, cost of management, etc., amount to $580,230.10, being at the rate of 18.90% on the average paid-up capital of the Bank for the year. This amount, together with the balance forward from last year, and the sum of $333,242.14 for premium on new stock issued during the year, makes the sum of $975,119.13.

This has been appropriated as follows:—

Four quarterly dividends at the rate of 13% per annum	$398,899.61
Contributed to Officers' Pension Fund	20,000.00
Contributed to Patriotic and kindred objects	38,900.00
War Tax on Bank Note Circulation to 31st December, 1916	30,483.75
Transferred to Reserve Fund from Premium on New Stock	333,242.14
Balance of Profit and Loss Account carried forward	153,593.63
	$975,119.13

During the year Branches of the Bank have been opened at Burdett, Coalhurst, New Dayton, and Travers, Alberta; Richlea, Sask., and Schumacher, Ont. The Branch at Goodwater, Sask., was closed.

The usual inspection of the Head Office and Branches has been made and the staff have faithfully and efficiently discharged their duties.

W. F. COWAN,
President.

GENERAL STATEMENT

LIABILITIES.

Notes of the Bank in Circulation		$ 4,546,518.00
Deposits bearing interest (including interest accrued to date)	$34,818,843.15	
Deposits not bearing interest	11,473,721.42	
		46,292,564.57
Dividend No. 105, payable 1st February, 1917		106,399.61
Balances due to other Banks in Canada		639,598.51
Balances due to Banks and Banking Correspondents elsewhere than in Canada		386,475.55
Acceptances under Letters of Credit		58,645.84
Capital paid up		3,333,242.14
Reserve Fund		4,333,242.14
Balance of Profit and Loss Account carried forward		153,593.63
		$59,850,274.99

ASSETS.

Current coin held by the Bank	$1,532,743.47		
Dominion Notes held	7,729,781.00		
Deposit in the Central Gold Reserves	1,500,000.00		
			$10,762,524.47
Deposited with the Minister for the purposes of the Circulation Fund		$ 150,000.00	
Notes of other Banks		210,240.00	
Cheques on other Banks		1,769,623.07	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		594,376.27	
Dominion and Provincial Government Securities not exceeding market value		1,574,349.49	
Canadian Municipal Securities and British, foreign and Colonial public securities other than Canadian		5,371,937.46	
Railway and other bonds, debentures and stocks not exceeding market value		298,656.63	
Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks		1,656,956.71	
			11,626,139.63
			$22,388,664.10
Other current Loans and discounts in Canada (less rebate of interest)			35,892,084.87
Liabilities of customers under Letters of Credit as per contra			58,645.84
Real Estate other than Bank Premises			19,507.15
Overdue debts, estimated loss provided for			172,799.89
Bank Premises, at not more than cost, less amounts written off			1,229,935.38
Other Assets not included in the foregoing			88,637.76
			$59,850,274.99

W. F. COWAN,
President.

GEORGE P. SCHOLFIELD,
General Manager.

AUDITOR'S REPORT TO THE SHAREHOLDERS.

I have compared the above Balance Sheet with the books and accounts at the chief office of The Standard Bank of Canada, and with the certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on January 31st, 1917, I certify that in my opinion such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me at another time during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.,
of Clarkson, Gordon & Dilworth, Toronto, Canada.

Toronto, February 13th, 1917.

The usual motions were passed, and the scrutineers appointed reported the following gentlemen elected as Directors for the ensuing year: Mr. W. F. Cowan, Mr. Wellington Francis, K.C.; Mr. W. F. Allen, Mr. F. W. Cowan, Mr. H. Langlois, Mr. T. H. McMillan, Mr. G. P. Scholfield, and Mr. T. H. Wood. At a subsequent meeting of the Directors, Mr. W. F. Cowan was re-elected President, and Mr. Wellington Francis, K.C., Vice-President.

G. P. SCHOLFIELD,
General Manager.

Toronto, February 28th, 1917.

News of Securities

Continued from page 5.

has been no trading in that security and no quotations to indicate the humor of the market.

Dominion Canners.

Notices are out for the annual meeting of Dominion Canners for the 7th of March. It is not expected that there will be anything of marked interest develop at the meeting but there has been a little more interest in the common stock reently with some trading around 21-22. Some sales of preferred have taken place at 68 an advance of 3 points above the previous.

Goodwin's.

The fiscal year of Goodwin's, Limited, closed on February 2, and, while no figures are available, the FINANCIAL POST is in a position to state that the company had a very satisfactory year's business. The turnover was very large, and the statement will show substantial profits. The directors decline to state yet whether any dividends will be declared or not. The company had a gross profit of $162,265 for the year ending Feb. 2, 1915, and a surplus of $57,114. The surplus account and reserves at that date amounted to $388,959. Preferred dividends were paid quarterly from January 1 to July 2, inclusive, but none have been paid since that time. The preferred, which had a high of 75 last year, and a low of 40, is now being held at 45. There has been no quotation for the common recently.

International Petroleum.

International Petroleum sold at 11.62 on Thursday, this price showing a decline of nearly a point from the previous week. Unsettled conditions in the world markets continue but the situation as regards petroleum and petroleum products is generally strong.

International Engineering.

The annual statement of the International Engineering Works, which will be sent out to the shareholders shortly, will show the earnings for the past year, to have been very materially increased over the previous year. The bank indebtedness has been entirely wiped out, and the company has no liabilities other than current bills. The munition business has been very profitable, and a satisfactory business has also been done in the regular engine and boiler lines. At the present time the company is manufacturing the new type of 4.5 shells, and is having splendid success with the work. G. F. Gyles, secretary-treasurer of the company, who has just returned from a visit to the plant at Amherst, N.S., states that the company now has between six hundred and seven hundred thousand dollars worth of orders on hand.

Lyall Construction.

The market has not shown any interest in Lyall Construction for some weeks, the only transaction being a small turn-over of the common at 65. The range for the year to date is 65 to 69.

Macdonald.

The common stock of the A. Macdonald company continues to attract a small share of the little interest which the market is securing. Sales this week have been at 14-13½. The best of the recent movement was 14¼.

Ottawa Car.

Ottawa Car was introduced to the Montreal Stock Exchange on Tuesday last without any spectacular ceremonies. It scarcely created a ripple on the placid financial waters. The stock was quoted at 143 asked, but there were no bids.

Russel Motor.

Russel Motor common continues to display a tendency towards wide movements. Even on the comparatively small trading of the past week there has been a range of 5 points. At last report 80 was the basis of the market and since as high as 85 has been reached with late trading back at the former price; the preferred has dropped 2 points to 110.

Sherwin Williams.

There was a single share of Sherwin Williams common transferred this week at 59 the transaction being the first in three weeks and showing no change in price. The preferred is selling at 99.

Tooke Bros.

The FINANCIAL POST understands that the directors of Tooke Bros. will have a very satisfactory statement to present to the shareholders at the annual meeting which will be held in July. The fiscal year which will close on May 31, has been one of the best, if not the best, in the history of the company; that is, assuming that the remaining two or three months turn out as good as the past nine. The prospects for the coming fiscal year are also very bright. The principal difficulty will be to get the necessary materials. The English firms from whom a considerable quantity of figured goods is imported, have not been able to guarantee very satisfactory deliveries. It has also been difficult to get the necessary supplies of paper boxes. There has been no trading in the stock of the company this year. The common had a range of 25 and 16 last year, the preferred remaining at 80.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending March 1:

							Range 1917 to Feb. 22	
Banks—	Ask.	Bid.	High	Low	Last	Sale	High	Low
Commerce	187	185½	187	186	187	53	186½	184½
Dominion	211	...	210	210	210	33	212⅛	210
Imperial	199	...	198	198	198	53	200½	196
Merchants	170	...	170	169¾	170	42	170	167½
Molsons	...	180	180	180	180	31	181	179½
Montreal	228	...	226	226	226	12	234	225
Nova Scotia	...	256	256	256	256	4	256	255
Ottawa	202	...	200	200	200	10	202	...
Royal	...	213	214	213	213	29	214	211
Union	139	138	138	138	138	6	140	127
Transportation—								
Barcelona	12⅛	11¾	12¼	11⅞	12⅛	225	17	11⅝
Brazilian Traction	44	43½	45⅞	43½	43½	621	47¾	43
Canada Steamships	34¾	34	35	34	34½	985	38	29¾
Do., pref.	84	83¾	86½	84	84	175	93¾	84
Canadian Pacific	155	154	155	151⅞	151⅞	95	163¼	149½
Detroit United	115	114	115	113¾	114	252	128	113½
Civic Invest. Pr.	82	81¾	82	81¾	81¾	1,168	82¾	78
Duluth-Superior, com.	51	50	51	50	50	37	51	43
Illinois Trac., pref.	88	..	88	87½	88	9	89	88
Porto Rico, com.	40	35	36	35	36	12	42	35
Quebec Ry., Light, Heat	24¾	23½	25½	24	24¼	525	35½	21
Toronto Ry.	85½	84½	86½	85	85¾	203	87	81
Twin City, com.	94	93¼	93¾	93	93¾	17	95	93
Telegraph, Light and Power—								
Bell Telephone	148	145	148	147½	147½	11	150	144
Consumers Gas	165	164	164½	164½	164½	55	165¼	164½
Mackay, com.	89	88½	89⅜	88	89	296	90	83½
Do., pref.	67	66½	67	66¾	66¾	76	68	65
Shaw. W. & Power	126½	126	127½	126	126	278	130½	123½
Industrials—								
Ames-Holden, pref.	..	50	50	48	48	39	61	49
F. N. Burt, com.	85	82	85	85	85	75	81½	...
Canada Bread, com.	17	16	16	16	16	15	17	16
Can. Cement, com.	59¾	59½	60½	59	59½	736	69⅞	56
Do., pref.	92¼	91½	93	92	92½	115	95¾	90
Can. Car, com.	28½	27	28	27	28	155	46½	25¼
Do., pref.	74	72	73¼	70½	73	675	89	59
Can. Cottons, com.	..	52	52	52	52	25	56	51
Do., pref.	78½	..	79	78	78	39	82	78
Can. Foundries, com.	..	170	170	170	170	200	205	176
Can. Loco., com.	56	54	54	54	54	55	58	52½
Do., pref.	90	88	88	88	88	100	90	84
Can. Gen. Elec., com.	109½	109	109½	108½	108½	113	115½	108¾
Dom. Bridge, com.	139⅞	135	140	140	140	25	170	130
Dom. Canners, com.	22½	20½	22	21	21	160	23	19
Do., pref.	70	65	68	65	68	100	65	...
Dom. Steel Corp.	62	61⅝	62⅜	61	62	6,860	71¼	52¾
Dom. Textile, com.	80½	80	80½	80	80½	22	82	76½
Do., pref.	..	103	103	100	103	20	104	102¼
Laurentide	181	180	182	181	181	200	195	176
A. Macdonald, com.	..	14	14	13½	13½	230	14½	8
Maple Leaf, com.	100	99	99½	97½	99½	110	103	90
Do., pref.	95½	94½	95	95	95	84	103	92½
Mon. Cottons, com.	..	51	54	54	54	25	58½	50
Do., pref.	..	102	102	102	102	6	103	102
Mon. Knitting, com.	41	40	40	40	40	25	40	35
Do., pref.	..	78	80	80	80	3	81	80
N. S. Steel, com.	97½	97	111	97¼	97¼	4,328	128	91
Ogilvie Flour, com.	..	138	138	137	137	41	142	137½
Do., pref.	..	111	111	111	111	40	115	111
Pacific Burt, com.	40	35	35¼	35¼	35¼	15	30¾	28
Do., pref.	..	80	80	80	80	4	81	80
Penmans, com.	..	70	70	69½	70	25	71	70
Riordon Pulp, com.	118	115	120	116	116	445	127	106
Wm. A. Rogers, pref.	93	..	90	90	90	25	92	90
Russell Motor, com.	83	75	85	80	80	155	92	70
Do., pref.	..	112	112	110	110	45	115	100
Sher.-Williams, com.	.,	59	59	59	59	1	59	56
Do., pref.	..	100	100	99	99	16	100	98
Sh. Wheat, com.	139	135	137¾	137¾	137¾	10	136	...
Span. River Pulp, com.	16½	16	17¼	15¼	16½	871	19	12
Do., pref.	57	53	53	53	53	40	59¼	51⅜
Steel Co. of Can., com.	60	59½	62	59¼	60	3,190	71½	52
Do., pref.	95	93¾	95	93¼	95	75	100½	93½
Tuckett Tobacco, com.	20	19	20	20	20	50	22½	20
Wayagamack	83	..	83	83	83	15	95	82

Corporation Bonds

We own and offer Mortgage Securities of the following corporations at prices to yield the investor 6% per annum and over:

Riordon Pulp & Paper Co.
Ames Holden McCready, Limited
Brompton Pulp & Paper Co.
Nova Scotia Steel & Coal Co.
Canadian Cottons, Limited
Price Brothers & Co.
Canada Cement Co.
Wayagamack Pulp & Paper Co.

Prices and full particulars on request.

ROYAL SECURITIES CORPORATION, Limited

164 St. James Street, Montreal
12 King Street East, Toronto

Third War Loan

Your enquiries gladly answered without charge.

A. ANGUS MACDONALD

Main 6530. C.P.R. Building, Toronto

A Large Established Farm Mortgage Loan Company seeks additional loaning connections in Alberta and Saskatchewan.

Supervisor of Western offices will make appointments for personal interviews in February and March.

Address inquiries with full particulars to

"K. N. R., The Financial Post, Toronto, Ontario"

ANNUAL MEETING.

The Right of Way Mines, Limited

THE Annual General Meeting of Shareholders of The Right of Way Mines, Limited, will be held in the Board of Trade Rooms, Central Chambers, Ottawa, Ont., on Monday, March 19, 1917, at 3 o'clock p.m., for the purpose of receiving the Annual Report, Election of Directors for the ensuing year, and for the transaction of all other business that may properly be brought before such meeting.

By Order of the Board.

E. A. LARMONTH,
Secretary-Treasurer.

Ottawa, Ont., February 27, 1917.

Make the Forthcoming

War Loan

Canada's "Victory Loan"

Our services are free in attending to your subscription

DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901

E. R. Wood - - - - President
G. A. Morrow - Vice-President
J. W. Mitchell - Vice-President
W. S. Hodgens - - - Secretary
J. A. Fraser - - - - Treasurer
T. H. Andison - Ass't Secretary
A. F. White - - Ass't Treasurer

HEAD OFFICE:
26 KING STREET EAST
TORONTO

MONTREAL BRANCH
Canada Life Building
R. W. Steele - Manager

LONDON, ENG., BRANCH
No. 2 Austin Friars
A. L. Fullerton, Manager

The Toronto Mortgage Company

Eighteenth Annual Report of the Directors, being for the Year 1916

The Directors of the Toronto Mortgage Company beg to submit the usual Financial Statement of the Company's affairs, for the year which ended on 31st December, 1916.

The Reserve Fund is now equal to 77% of the Capital Stock.

Debentures matured during the past year amounting to $471,374.00, to renew which, and for new moneys, new Debentures of the Company have been issued to the extent of $301,596.00.

Loans were made amounting to $295,950.00, and Mortgages aggregating $353,800.00 were renewed for further terms, after due examination of the present values of the properties in question

The revenue taken credit for consists of actual cash receipts for interest and net rentals.

The Office Staff have performed their duties to the satisfaction of the Directors, and the books and accounts, and all securities held by the Company, have been regularly audited.

The Directors have to record the loss the Company sustained last April in the death of Mr. George Martin Rae, who had been a valued member of the Board since the inception of the Company. The vacancy on the Board was filled by the election of Mr. George S. Henry, M.P.P.

All of which is respectfully submitted,

WM. MORTIMER, CLARK, President.

FINANCIAL STATEMENT FOR THE YEAR ENDING 31st DECEMBER, 1916

LIABILITIES.

To the Public:			
Debenture Sterling		$1,473,918.08	
Accrued Interest thereon		11,339.88	
Debentures, Currency		300,434.21	
Accrued Interest thereon		4,843.69	
Deposits, Savings Accounts		119,970.21	
			$1,910,506.17
To the Shareholders:			
Capital Stock, fully paid		$ 724,550.00	
Reserve Fund	$530,000.00		
Added in 1916	30,000.00		
		560,000.00	
Unclaimed Dividends		38.25	
Dividend payable 1st Jan., 1917		14,491.00	
Balance carried forward		35,010.99	
			$1,334,090.24
Total			$3,244,596.41

ASSETS.

Mortgage Loans		$2,256,074.09
Office Premises in Toronto Street		45,000.00
Government and Municipal Bonds and Stocks, owned by the Company	$ 666,101.94	
Call Loans on Bank Stocks	155,620.00	
Cash in Banks	120,602.18	
Cash in Office	1,198.20	
		943,522.32
Total		$3,244,596.41

PROFIT AND LOSS ACCOUNT.

Dr.

Interest on Sterling Debentures, paid and accrued	$ 70,164.66
Interest on Currency Debentures, paid and accrued	13,810.90
Interest on Deposits	3,856.01
Charges on Moneys borrowed and lent	3,007.12
Cost of Management, viz.: Salaries, Directors' and Auditors' Fees, Tax on Capital, Business Tax, Office Rent, etc.	21,737.97
Special War Taxes, and Subscriptions to Patriotic Fund, etc.	3,877.52
Dividends on Capital Stock at 8 per cent.	57,964.00
Transferred to Reserve Fund	20,000.00
Balance carried forward	35,010.99
Total	$239,429.17

Cr.

Balance brought forward	$ 27,834.71
Interest on Investments, and Net Rental from Office Premises	211,594.46
Total	$239,429.17

WALTER GILLESPIE, Manager.

We have audited the Books and Accounts of the Toronto Mortgage Company for the year ending 31st December, 1916. We have examined the Vouchers and Securities relating thereto. All our requirements as Auditors have been complied with. We find the Books carefully kept, and hereby certify that the foregoing Statements are correct.

Toronto, January 10th, 1917.

E. R. C. CLARKSON, F.C.A., } Auditors.
J. HARDY, F.C.A.,

DIVIDENDS DECLARED

The Bank of Nova Scotia

DIVIDEND NO. 189.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st, and that the same will be payable on and after Monday, the 2nd day of April next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., February 16th, 1917.

The Huron & Erie Mortgage Corporation

QUARTERLY DIVIDEND No. 118.

NOTICE is hereby given that a Dividend of Three per cent. for the Quarter ending March 31st, 1917, being at the rate of TWELVE per cent. per annum upon the paid-up Capital Stock of this Corporation has been declared, and will be payable at the Corporation's Office in this city, on and after Monday, April 2nd, 1917, to shareholders of record at the close of business on March 15th, 1917.

By order of the Board,

M. AYLSWORTH, Secretary.

London, Canada, February 26th, 1917.

The Consolidated Mining and Smelting Co. of Canada, Limited

DIVIDEND No. 24.

NOTICE IS HEREBY GIVEN that a Dividend of Two and a Half Per Cent. (2½%) on the paid-up Capital Stock of the Company for the quarter ending March 31st, 1917, being at the rate of ten per cent. per annum, has this day been declared, payable April 2nd, 1917, to shareholders of record at the close of business on the 10th day of March, 1917.

By order of the Board,

J. KITTO,
Secretary.

Toronto, March 1st, 1917.

Tooke Bros., Limited

Preferred Stock Dividend No. 17

NOTICE is hereby given that a Dividend of 1¾% on the Preferred Stock of this Company has been declared for the Quarter ending 28th February, 1917, payable on March 17th, to Shareholders of record of the 28th February.

By order of the Board,

W. S. BARKER,
Secretary-Treasurer.

Montreal, February 19th, 1917.

The Montreal City and District Savings Bank

NOTICE is hereby given that a Dividend of Two Dollars per Share on the Capital Stock of this Institution has been declared, and will be payable at its Head Office, in this City, on and after Monday, the 2nd of April next, to Shareholders of record on the 15th day of March next, at 3 o'clock p.m.

By order of the Board,

A. P. LESPERANCE,
Manager.

Montreal, 24th Feb., 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and one-half per cent. (1½%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1917, payable April 2nd, 1917, to shareholders of record March 15th, 1917.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 27th February, 1917.

The Sherwin-Williams Co. of Canada, Limited

NOTICE is hereby given that the Twenty-third Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, for quarter ending March 15th, 1917, upon the Preferred Stock of this Company, has been declared, payable to Shareholders of record the fifteenth day of March, 1917, and that cheques for the same will be duly mailed to them on the thirty-first day of March, 1917.

Books not closed.

By order of the Board.

J. H. GORDON,
Secretary-Treasurer.

Montreal, February 23rd, 1917.

Western Canada Flour Mills Co., Limited

THE Board of Directors of WESTERN CANADA FLOUR MILLS COMPANY, LIMITED, have declared a Dividend of Two (2) per cent. for the three months ending 28th February, 1917, payable 15th March, 1917. The Transfer Books of the Company will be closed from the 5th to the 15th March, 1917 (both days inclusive).

R. G. O. THOMPSON,
Secretary.

Toronto, March 1st, 1917.

BIG EARNINGS BY THE CANADA STEAMSHIPS LTD.

Annual Statement Shows Consolidation to be in Strong Position.

EARNED 13.4 ON COMMON

Net Earnings for Year Went Over $4,000,000 Mark, Four Times Record of 1914.

The altogether remarkable progress that has been made by the Canada Steamships Lines, is shown in a very impressive manner by the annual report, which was mailed to the shareholders this week. The showing made in 1915 was very encouraging, and the company was able to get into a sound position after a very depressing year in 1914. During the past fiscal year all records were exceeded and the company appears in a very strong position both as regards assets and earning power.

While the increases are notable, it is when comparison is made with the first year following the consolidation that the remarkable growth shows itself. During the year, new and difficult problems presented themselves, all of which were successfully met by the management. Among these were the high cost of fuel, foodstuffs and insurance, the difficulty of obtaining new tonnage and the scarcity of labor.

The net earnings for the year exceeded the $4,000,000 mark, the total being $4,059,544 as compared with $1,732,057 in the previous year, and $928,036 in the year 1914. After the regular charges, the profits for the year amounted to $2,391,027, as against $662,151 in the previous year, and a net loss of $59,932 for the year 1914. After allowing for the seven cent. on the preferred stock for the year, the earnings on the common stock would have amounted to slightly over 12 per cent., and if the net profits on the sales of fixed assets were included, the percentage on the common stock would have amounted to 13.40 per cent.

In the appropriation for the year, an amount of $322,476.88 appears as reserve for business profits tax, this covering the special tax. Appropriation was made of it for the first time. Following are the figures given in the operating account, together with comparisons with previous years.

Operating Account.

	1916	1915	1914.
Revenue	$12,122,128	$7,775,034	$6,585,810
Expenses	8,062,583	6,042,977	5,657,774
Net earn.	$4,059,544	$1,732,057	$ 928,036
Less:—			
Bond int.	$ 443,044	$ 457,785	$ 451,465
Other int.	15,319	85,276	15,874
Deprec.	805,309	476,938	455,630
Bad debts	27,500	35,000	50,000
Directors	15,156	14,906	15,000
War tax	322,046	......	......
Bonus	40,140	......	......
Total deduc.	$ 1,668,517	$1,069,905	$ 987,969
Net profit	‡2,571,007	662,151	*59,932
Written off	87,415	70,835	91,154
Balance	$ 2,483,592	$ 591,316	*$ 151,091
Dividends	656,250	......	401,041
Surplus	$ 1,827,341	$ 591,316	*$ 552,132
Prev. surp.	20,883	*570,433	*18,299
Surplus	$ 1,848,225	$ 20,883	*$ 570,432

*—Deficit.

‡—Includes $179,979 profit on sales of fixed assets.

To the value of the vessels as at 31st of December, 1915, amounting to $17,628,237, the Canadian Steamships Lines has made net additions over vessels lost and sold, of $1,169,680, making a total of $18,797,920 at December 31st, 1916. To the real estate, building, docks, $95,623, making a total valuation of $5,331,114. Net additions in other fixed assets amounted to $73,789, bringing this item to $610,434, and making a total of all these fixed assets of $24,739,469. From this is deducted depreciation reserve, leaving a balance of $223,058,657.

The general statement of assets and liabilities shows that the directors and management have taken advantage of the wonderful business offering to put the company in as strong a financial position as possible. With the changing of a number of the boats of the company from inland waters to the Atlantic, a great many changes have been made in them, and at the same time care has been taken to put all boats in the best possible shape. On this account it is stated that the company's fleet at the beginning of the year is in a better condition than ever before. The company has disposed of a good deal of the old tonnage and replaced it with up to date ships and no endeavor has been made to take advantage of the present exceptional prices offering to increase the value of the boats to any extent at all.

CANADIAN COTTONS PROFITS MUCH LARGER

Sales for the Year Were Higher By $1,342,457—A Good Statement.

Manufacturing profits of $473,688 gross, an increase of $78,790, over the previous year, were shown by the annual statement of the Montreal Cottons, Limited, at the annual meeting of the company, held on Wednesday of this week. Including the income from rents, the total is $490,032. This is 16.33 on the $3,000,000 common stock of the company.

After the payment of bond interest, and making an allowance for bad debts, a balance of $446,783 is available for dividends. Dividends took $330,000, being 7 per cent., on the preferred and 4 per cent. on the common, and the balance, of $113,783, was carried forward to be added to the previous profit and loss surplus of $2,214,426.

The balance sheet discloses only a few changes. Current assets are $3,389,525, against current liabilities of $1,223,370, leaving a working capital surplus of $2,166,155. Property account has increased during the year by about $169,000, the item now standing at $4,378,744.

The report of the president, S. H. Ewing, refers to the business as being "exceptional." The sales reached a total of $4,397,823, an increase of $1,342,457, over the previous year. The president stated that the demand so far justifies confidence in the outlook for the present year. Comparisons follow:

	1916	1915	1914
Profits	$473,688	$394,898	*$368,420
Rents	16,344	12,886	13,051
Net revenue	$490,032	$407,785	$381,472
Charges	43,250	53,777	44,166
Net income	$446,782	$354,008	$337,306
Dividends	330,000	330,000	330,000
Balance	$116,782	$ 24,008	$ 7,306

*Annual depreciation allowance of $115,000, charged up before showing profits in other years was omitted in 1914.

PAPER PRICES NOT AFFECTED BY EMBARGO.

Continued from page 1.

fected. The paper products to Great Britain from Canada exported are confined to pulp, groundwood and sulphite news print and a little kraft and cardboard. Practically none of the higher grades of paper are exported from Canada to Great Britain. In fact, Canada imports a great deal more in those lines than she export. The great proportion of the news print imported by Great Britain comes from Sweden and Norway."

Market in America.

"I do not see how the restrictive measures announced by Premier Lloyd George, can have the slightest effect upon the prices in Canada under the present conditions," said C. Howard Smith, of the Howard Smith Paper Mills, Limited, to the FINANCIAL POST. "The Canadian mills are running night and day and can sell all that they can produce and more, on this side of the water. In fact, we can scarcely supply the demand. Our own mills have business on hand that will keep us busy for many months, and we are turning down business all the time. This situation is pretty general in the trade, I believe."

With reference to news print Mr. Smith made the somewhat startling statement that the reserve stocks now on hand in North America are the lowest that they have ever been, having been reduced to about 40,000 tons, which is only about nine days' supply.

Edward Hay, general manager of the Imperial Bank of Canada, has been elected a director of the Western Assurance Co., and the British-America Assurance Co.

☞ To City, Town and Village Dwellers in Ontario

A Vegetable Garden for Every Home

IN this year of supreme effort Britain and her armies must have ample supplies of food, and Canada is the great source upon which they rely. Everyone with a few square feet of ground can contribute to victory by growing vegetables.

Four Patriotic Reasons for Growing Vegetables

1. It saves money that you would otherwise spend for vegetables.
2. It helps to lower the "High cost of living."
3. It helps to enlarge the urgently needed surplus of produce for export.
4. Growing your own vegetables saves labor of others whose effort is needed for other vital war work.

The Department of Agriculture will help you

The Ontario Department of Agriculture appeals to Horticultural Societies to devote at least one evening meeting to the subject of vegetable growing; manufacturers, labor unions, lodges, school boards, etc., are invited to actively encourage home gardening. Let the slogan for 1917 be, "A vegetable garden for every home."

Organizations are requested to arrange for instructive talks by practical gardeners on the subject of vegetable growing. In cases where it is impossible to secure suitable local speakers, the Department of Agriculture will, on request, send a suitable man.

The demand for speakers will be great. The number of available experts being limited, the Department urgently requests that arrangements for meetings be made at once; if local speakers cannot be secured, send applications promptly.

The Department suggests the formation of local organizations to stimulate the work by offering prizes for best vegetable gardens. It is prepared to assist in any possible way any organization that may be conducting a campaign for vegetable production on vacant lots. It will do so by sending speakers, or by supplying expert advice in the field.

To any one interested, the Department of Agriculture will send literature giving instructions about implements necessary and methods of preparing the ground and cultivating the crop. A plan of a vegetable garden indicating suitable crops to grow, best varieties and their arrangement in the garden, will be sent free of charge to any address.

Write for Poultry Bulletin

Hens are inexpensive to keep, and you will be highly repaid in fresh eggs. Write for free bulletin which tells how to keep hens.

Address letters to "Vegetable Campaign," Department of Agriculture, Parliament Buildings, Toronto.

Ontario Department of Agriculture
W. H. Hearst, Minister of Agriculture
Parliament Buildings **Toronto** 10

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HARRY HORNE COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the first part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 30th day of January, 1917, incorporating Harry Horne, manager, Wilbert Bruce Horne and Edward John Swift, accountants, Richard Horne and Robert Marshall Gibson, salesmen, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail; (b) To manufacture, purchase or otherwise acquire, and to sell or otherwise dispose of any or all kinds of goods, wares, chattels and merchandise, and generally to deal in and deal with all species of property, either movable or immovable, capable of being owned; and to carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (c) To acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (d) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention or process which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (e) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (f) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (g) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (h) To pay for any property, rights and things required by the company or for services rendered to the company in cash, fully paid shares of the capital stock of the company, or its bonds and debentures; (i) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or any person, partnership, association or company allied with the company in business, or subsidiary to the company, or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (j) To amalgamate with any other company having objects similar to those of this company; (k) To invest the moneys of the company not immediately required, in such securities and in such manner as may from time to time be determined; (l) To distribute or divide assets of the company in specie amongst the shareholders; (m) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (n) To procure the company to be registered, licensed or otherwise recognized in any foreign country, and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country, and to accept service for and on behalf of the company of any process or suit; (o) To purchase, lease or acquire and develop water or other power, and to use the same and to lease, sell or otherwise dispose of any surplus thereof; (p) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (q) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof, and to employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Harry Horne Company, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 1st day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

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CONTRACTING
ENGINEERS
MONTREAL
ALL BUILDING WORK, LARGE OR SMALL, RECEIVES OUR BEST ATTENTION

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Some of our recent contracts include: Williams Mfg. Co., Loyola College, Toilet Laundry, St. Lawrence Sugar Refinery, Belding Paul Corticelli, Bell Telephone, Canadian Ingersoll-Rand, Canadian Cottons, Penmans Limited, International Mfg. Co.

Our operations have included work in Montreal, Toronto, Ottawa, Quebec, Halifax, St. John, Sherbrooke, Brantford, Cornwall, St. John's, Gananoque, etc.

Estimates, etc., furnished on request.

Northern Crown Bank

HEAD OFFICE, WINNIPEG

Capital (authorized) -	$6,000,000
Capital (paid up) - -	$1,431,200
Reserve - - -	$ 715,600

DIRECTORS.

President, Sir D. H. McMillan, K.C.M.G.
Vice-president, Capt. Wm. Robinson.

Jas. H. Ashdown, W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G.; E. F. Hutchings, John Stovel.

General Manager Robert Campbell
Supt. of Branches L. M. McCarthy

Four Branches in Alberta, seven in British Columbia. Twenty-one in Manitoba. Twenty-five in Ontario, Fifty-one in Saskatchewan. A total of One Hundred and Eight Branches throughout Canada.

V. F. CRONYN,
Manager - - - Toronto Branch

Geo. O. Merson & Co.
Chartered Accountants.
807 Lumsden Bldg., Toronto

Why Burden Your Wife?

If you wish to appoint your wife as executrix or trustee under your will, why not assist her to carry the heavy burden by appointing this Corporation as co-executor.

Your estate will thus have the advantage of the personal direction which she can give, and she will be relieved of the burdensome details necessarily involved in the management of any estate. Also she will receive invaluable assistance in regard to investments.

Our officers will be glad to confer with you in regard to the making of your will or any trust business you may have in mind.

THE STERLING TRUSTS CORPORATION
President W. S. DINNICK
Managing Director HERBERT WADDINGTON
80 KING ST. EAST · TORONTO
Telephone Main 2717

MANUFACTURERS PRESS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 27th day of January, 1917, incorporating Eldon Moir, druggist, Donald Lorne McDonald, accountant, Oral Nathan Birchard, filing clerk, Rose Gordon, stenographer, and John Campbell, barrister-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.—(a) To carry on the business of publishers, booksellers, stationers, printers and lithographers, and to acquire, possess and dispose of copyrights; to acquire, control, operate, manufacture, publish and dispose of newspapers, books, periodicals and magazines of every kind and description, and to carry on a general publicity and advertising business in all its branches, both as principals and agents; (b) To manufacture and deal in paper, paper materials and paper substitutes of all kinds and articles and substitutes made from any kind of paper, pulp, mixture, combination, solvent, preparation or material used in the manufacture or treatment of paper or paper substitutes; (c) To acquire, hold and dispose of shares in companies having objects similar to those of this company; (d) To pay out of the funds of the company all costs and expenses of and incidental to the incorporation and organization of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Manufacturers Press, Limited," with a capital stock of one hundred and fifty thousand dollars, divided into 15,000 shares of ten dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 30th day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

MONEY, BANKING AND EXCHANGE

February Bank Clearings for the Dominion Showed a Gain of 15.9 per cent.—In the East 19.0 per cent., and in the West 8.0 per cent.

According to official returns of bank clearings made to the FINANCIAL POST for the week ending Thursday last every point in Eastern Canada showed a gain as compared with the corresponding period a year ago, the gain in the East being 30.1 per cent. In the West there was a decline of 13.4 per cent. The cities in the West to show gains were; Medicine Hat 47.8; Regina, 30.3; New Westminster, 28.4; Saskatoon, 25.2; Fort William, 24.6 and Lethbridge, 22.1 per cent. Winnipeg showed a decline of 24.8; Victoria, 17.6; Moose Jaw, 10.9 and Brandon, 11.5 per cent. In the East Quebec showed a gain of 47.0; Ottawa 34.6; Montreal, 25.1; Hamilton, 22.1; Brantford 19.4; Peterboro 18.3 and Toronto 14.7 per cent. For the year to date the gain was 20.9 per cent.

WEEKLY BANK CLEARINGS.
(In comparison with same week last year)

Eastern Cities.

	Mar. 1, 1917.	Change.	%
Montreal	$ 69,551,768+	$ 13,935,288	25.1
Toronto	49,899,798+	6,407,069	14.7
Ottawa	4,844,694+	1,244,057	34.6
Hamilton	4,089,128+	721,869	22.1
Quebec	4,051,673+	1,269,686	47.0
Halifax	2,138,848+	208,277	10.9
London	1,922,868+	59,647	3.3
*St. John	....	....	....
Brantford ...	698,808+	112,403	19.4
Peterboro ...	486,580+	75,465	18.3
Total, East...	$147,684,165+	$ 34,043,761	30.1
Sherbrooke ..	694,592		
Kitchener	563,393		

Western Cities.

	Mar. 1, 1917.	Change.	%
Winnipeg	$ 29,602,483—	$ 9,760,074	24.8
Vancouver ...	6,697,975+	133,197	2.0
Calgary	4,490,828+	673,353	17.7
Edmonton ...	2,246,746+	164,622	8.2
Victoria	1,471,372—	314,624	17.6
Regina	2,155,606+	485,239	30.3
Saskatoon ...	1,222,152+	245,958	25.2
Moose Jaw ..	798,519—	97,054	10.9
F. William ..	495,123+	96,241	24.6
Brandon	399,975—	51,853	11.5
Lethbridge ..	485,607+	86,211	22.1
N. Westm'ster	251,244+	53,922	28.4
Medicine Hat.	478,840+	152,197	47.8
Total, West..	$ 50,796,470—	$ 8,131,665	13.4
Grand total...	$198,480,635+	$ 25,912,096	15.0
Year to date	~~$1,850,564,418+~~ 1,820,906,062	$319,461,832	20.9

*Returns not received at time of going to press.

MONTHLY BANK CLEARINGS.
(In comparison with same month last year.)

Eastern Cities.

	February, 1917.	Change.	%
Montreal	$290,793,718+	$ 52,505,049	22.0
Toronto	205,245,019+	29,878,118	17.0
Ottawa	18,439,6778+	1,909,829	11.5
Hamilton	15,803,639+	2,015,184	14.7
Quebec	14,393,657+	2,388,741	19.9
Halifax	9,998,182+	1,113,357	12.6
London	7,845,249+	919,987	13.3
St. John	7,204,071+	1,016,045	16.4
Brantford ...	2,512,798—	6,263	.2
Peterboro ...	1,997,192+	135,345	7.3
Total, East...	$574,233,303+	$ 91,875,392	19.0
Sherbrooke ...	2,418,822		
Kitchener	2,048,756		

Western Cities.

	February, 1917.	Change.	%
Winnipeg ...	$128,994,345+	$ 6,161,390	5.0
Vancouver ...	24,628,167+	3,625,959	17.2
Calgary	16,265,562+	1,296,517	8.7
Edmonton ...	8,600,892+	398,551	4.8
Victoria	5,489,758+	280,435	5.4
Regina	8,383,598+	1,810,998	27.5
Saskatoon ...	4,816,795+	653,034	15.7
Moose Jaw ..	3,096,251+	319,031	9.4
F. William ..	1,958,986+	266,922	15.8
Brandon	1,570,643—	328,069	17.4
Lethbridge ..	2,053,888+	441,907	27.5
N. Westm'ster	1,014,799+	243,623	31.6
Medicine Hat.	1,614,736+	438,647	37.4
Total, West...	$209,088,421+	$15,608,945	8.0
Grand total...	$783,321,724+	$107,484,337	15.9

U.S. BANK CLEARINGS.

Bank clearing in the United States for the week ending February 22 aggregate $4,501,230,000, against $4,714,657,000 last week and $3,957,770,000 in this week last year, an increase of 13.9 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	Feb. 22	I or D	Feb. 15
New York	$2,592,101	I 7.5	$2,690,178
Chicago	407,034	I 28.8	401,101
Philadelphia .. .	264,399	I 29.9	274,486
Boston	195,610	I 12.2	211,617
St. Louis	109,436	I 38.5	112,480
Kansas City .. .	100,901	I 39.9	115,628
San Francisco ..	69,390	I 30.3	70,807
Pittsburgh	65,417	I 10.2	62,486
Cleveland	49,199	I117.2	53,746
Detroit	46,725	I 38.0	47,837
Baltimore	32,555	D10.9	37,652
Cincinnati	32,129	I 20.2	34,601
Minneauolis	20,633	D14.1	22,147
New Orleans ..	19,261	D13.6	33,436
Los Angeles . ..	25,446	I 18.2	28,455
Omaha	28,612	I 36.7	31,631
Milwaukee	19,558	I 18.7	24,900
Atlanta	19,326	I 38.1	22,546
Louisville	19,100	I 9.7	22,062
Richmond	22,042	I 66.3	20,776
Buffalo	14,093	I 19.4	15,328
Seattle	15,949	I 51.6	18,040
St. Paul	12,570	I 3.7	11,638

MONEY.

The call money situation both in New York and London shows practically no change from last week. In London the price continues to rule from 4½ per cent. to 4¾ per cent., while in New York it stands unchanged between 2¼ per cent. and 2½ per cent. It is anticipated in London that there will be an early resumption of the issue of treasury bills, in which event the price of call money will doubtless advance. The New York situation is largely dependent on governmental action in connection with the crisis with Germany.

EXCHANGE.

Demand sterling has been off this week from 4.75 7-16 to 4.75¼, with some quotations as low as 4.75. The fact that so few ships are crossing the Atlantic (and the outlook in this direction is so uncertain) accounts largely for the present weakness. Trading in demand sterling is almost at a standstill. Cables, however, remain firm and unchanged at 4.76 7-16.

Francs have not changed materially, demand at 5.85¼ being ¼ lower and cables at 5.84⅛, an eighth lower than a week ago.

Marks opened at 67¾ and 67⅞ for demand and cables respectively and were stronger yesterday at 68⅛ and 68¼.

Kronen shared in the strength of German exchange and advanced from 11.03 to 11.12 for demand and from 11.05 to 11.14 for cables.

Roubles were weaker. Opening the week at 28.35 for demand and 28.45 for cables, they fell by yesterday to 28.10 and 28.15.

The Italian lire reached its lowest point this week, when demand fell from 7.41 to 7.73 and cables from 7.40¼ to 7.72.

New York funds have had an erratic week. Opening on Monday at ¼ to 5-16 premium, they rose rapidly to ¾ premium, the price on Thursday. Yesterday they broke ½ to ⅜ premium. The situation is undoubtedly an abnormal one and seems to be easily influenced by rumors. The decline during the latter part of the week is attributed variously to the movement of exports to the United States and the anticipation of the new government war loan.

More than half of the money loaned to Western farmers by the Dominion government under the seed grain legislation of 1915 is still outstanding according to a report from Ottawa. In the 12 months ending July 31st last, the collections were $1,637,415 while from that date to February 15th the total was $2,694,116. Following is a summary of the total loans and the collections.

	Loans.	Collections.	P.C.
Alberta	$3,535,871	$1,683,744	47.6
Sask.	8,655,698	3,290,833	38
Manitoba ...	116,275	18,960	16.3
B.C.	1,762	565	32.1

Since August 1st last, the collections have been made through the Dominion Lands Organization.

BUSINESS WAITS DEVELOPMENTS IN THE STATES.

Continued from page 1.

funds. The record of deposits since the outlook of the war is summarised in the following table:

(000's omitted.)

1914	Notice	Demand	Total
August	$659,399	$338,984	$ 998,383
September .	658,401	348,984	1,006,685
October ...	659,806	348,732	1,008,538
November .	665,994	350,884	1,016,879
December .	662,830	349,909	1,012,739
1915.			
January ...	666,960	329,917	996,877
February ..	671,988	311,415	1,002,50.
March	676,875	339,514	1,016,390
April	686,075	347,325	1,033,401
May	691,891	347,346	1,039,237
June	683,761	349,051	1,032,812
July	691,731	340,950	1,032,681
August	692,580	334,022	1,026,602
September .	693,339	359,315	1,052,654
October ...	701,336	392,042	1,093,378
November .	714,219	406,735	1,120,954
December..	720,990	423,690	1,144,680
1916.			
January ...	714,264	387,002	1,101,267
February ..	728,243	389,825	1,118,068
March	738,169	389,165	1,127,334
April	748,360	402,601	1,150,421
May	765,064	412,301	1,177,365
June	767,598	428,117	1,195,715
July	789,363	431,000	1,221,322
August	806,774	443,317	1,250,091
September..	816,374	454,148	1,270,522
October ...	814,297	489,230	1,303,527
November .	836,593	459,277	1,295,870
December..	845,006	458,208	1,303,214
1917.			
January ...	864,163	427,308	1,291,471

Comparative figures from the January statement show changes as follows:

JANUARY BANK STATEMENT.

Assets.

	Jan., 1917	Dec., 1916		Change Month	Jan., 1916		Change Year
Specie .. .	$ 69,121,450	$ 71,172,169	—	$ 2,050,719	$ 69,553,888	—	$ 432,438
Dom. Notes	143,499,253	124,750,241	+	18,749,012	151,950,407	—	8,451,154
Gold Res. .	32,050,000	43,700,000	—	11,650,000	11,860,000	+	20,190,000
Call ab'd .	155,747,476	173,878,134	—	18,130,658	134,248,552	+	21,498,924
Can. Call .	79,737,064	82,569,983	—	2,832,919	82,584,659	—	2,847,595
Current . .	806,479,147	820,378,557	—	13,899,410	758,500,492	+	47,978,655
L'ns ab'd .	85,989,511	76,396,720	+	9,592,791	61,986,845	+	24,002,666
Total	$1,933,516,347	$1,948,044,258	—	$14,527,911	$1,710,734,153	+	$222,782,194
Liabilities.							
Cir'lation .	$ 133,358,187	$ 148,785,287	—	$15,427,100	$ 111,029,572	+	$ 22,328,615
Demand. .	427,308,526	458,208,417	—	30,899,891	387,002,926	+	40,305,600
Savings ..	864,163,344	845,006,717	+	19,156,627	714,264,486	+	149,898,858
Foreign . .	159,494,048	162,860,612	—	3,366,564	120,594,966	+	38,899,082
	$1,691,057,174	[illegible]	—	[illegible]	[illegible]	+	[illegible]

IMPERIAL BANK.

Maurice V. Reath, ledgerkeeper at the west end branch of the Imperial Bank at St. Thomas, has been transferred to the branch at Welland as teller.

STANDARD BANK.

At the annual meeting of the Standard Bank held this week the officers and directors were re-elected for the ensuing year. The Board is as follows:—W. F. Cowan, president, Oshawa; Wellington Francis, K.C., vice-president, Toronto; W. F. Allen, Bowmanville; F. W. Cowan, Oshawa; H. Langlois, Toronto; T. H. McMillan, Oshawa; Geo. P. Schofield, Toronto, and Thos. H. Wood, Toronto.

BANK OF MONTREAL.

John Travers Leslie, manager of the Bank of Montreal at St. Mary's, and who will have completed 47 years in the service of the Bank on May 1 next, is to be superannuated and retire from active service. Mr. Leslie who was born in Cork, Ireland, and came to Canada in 1870, has been with the St. Mary's branch for 23 years.

Robert Rintoul, late manager of the Bank of Montreal in Chicago, died suddenly at Wellington, New Zealand, recently. Mr. Rintoul had been in the service of the bank for over forty years and retired upon a full pension less than a year ago.

NORTH CROWN.

A branch of the Northern Crown Bank has been opened at Steinbach, Man.

MOLSONS BANK.

Pte. George Wallace Cook, formerly a member of the staff of the Molsons Bank at Simcoe, is reported to have been wounded in the head in action in France. Pte. Cook went with the 133rd, and was in the first draft to go to France.

National Banks.

According to the preliminary figures just compiled by the Comptroller of the Currency, the National banks of the United States in the calendar year 1916 showed the largest earnings, both gross and net, reported in any year since the organization of the National Banking System half a century ago.

Their gross earnings aggregated 600 million dollars, as compared with 528 million dollars for the fiscal year ending June 30, 1915, an increase of 13.6 per cent., while the net earnings for the calendar year ending December 31, 1916, amounted to 170 million dollars, an increase of 43 million, or 34 per cent., over the earnings for the fiscal year ending June 30, 1915. The gross earnings for the last six months of 1916 were at the rate of 628 million dollars a year, while the net earnings for the same six months were at the rate of 185 million dollars per annum, or 29.5 per cent. of gross earnings. During these last six months the National banks of the country have earned at the rate of over 17 per cent. per annum on their entire capital stock, and over 10 per cent. of their combined capital and surplus.

The most important feature of Industrial Alcohol's annual report is the statement by the President that the entire capacity of the plants has been sold ahead for the first half of 1917 at prices well above those obtained a year ago. This means that if there is no change in the war situation until contracts for the final half of the year are ready to be placed it will earn in 1917 a good deal more than it did in 1916.

NOVA SCOTIA STEEL AND COAL EARN 27 PER CENT.

Continued from page 1.

will be finished before the close of the present year.

"As a result of the increased capital expenditure in the iron and steel department the output of forged shells during the year was 90% greater in number and 120% greater in weight than in 1915, while the total shipments of finished steel, forgings, etc., exceed that of the previous year by 64%.

"The Eastern Car Company had a somewhat unsatisfactory year. The impossibility of obtaining prompt delivery of materials greatly restricted the output. The experience gained in the production of foreign type of car and the much higher prices at which recent orders were taken, will, it is confidently expected, make the present year's operation show a satisfactory profit.

"The bank advances and bills payable are abnormally high, this is due to the large increase in business and is more than offset by increased inventories and by loans to the Eastern Car Co., Ltd., to enable them to finance contracts on hand.

"The orders for steel products on the company's books at the present time is equal to 74% of last year's shipments and is sufficient to keep the plant fully employed for the next six months, and there is every prospect that this condition will prevail during the entire year."

BUSINESS ACCOUNTS

Current accounts opened for business firms, corporations and individuals on favorable terms. Loans made to responsible people. Interest allowed on permanent deposits.

Our many Branches and extensive Banking connections provide a prompt and accurate collection service.

Assets $86,000,000

THE BANK OF TORONTO

INCORPORATED 1855

Head Office - - TORONTO, CANADA
Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000

DIRECTORS.

W. G. Gooderham, President.
J. Henderson, Vice-President.
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler.
Thos. F. How, General Manager. John R. Lamb, Supt. of Branches.
T. A. Bird, Chief Inspector.

Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

BRANCHES AND CONNECTIONS THROUGHOUT CANADA.

HEAD OFFICE AND NINE BRANCHES IN TORONTO

8-10 King St. West, Head Office and Toronto Branch.

78 Church Street
Cor. Queen West and Bathurst
Cor. Queen East and Ontario.
1220 Yonge St. Subway. Cor. Alcorn Ave.
Cor. Bloor West and Bathurst.
236 Broadview, Cor. Wilton Ave.
1871 Dundas St., Cor. High Park Ave.
Exhibition Camp, Exhibition Park.

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THE ALEXANDER INTERESTS WON AT THE ANNUAL

President of Great West Permanent Had the Votes.

AN INTERESTING MEETING

Demand for Government Investigation Voted Down, but Arrangement is Made for An Examination By Auditor.

The annual meeting of the Great West Permanent Loan Company gave an opportunity for the different factions which have been contending for the control of this and associated companies to reveal their strength. The result was that the administration was sustained by a substantial majority of votes, although the fact that the different issues were debated in vigorous' manner from four o'clock in the afternoon until after midnight would indicate that the opposing interests made themselves heard if not effectively felt. In view of the whole difficulty which has arisen, the POST is of the opinion that it would be in the best interests of the company to have an investigation, in order that affairs may be thoroughly aired, and it is to be hoped that this will result from the inquiry to be conducted by the auditors, on the motion of W. T. Alexander himself. This does not go so far as the minority faction would desire, but it represents the spirit of the shareholders' vote. If the conduct of the affairs of the company has been such as to warrant a change in the management, steps should be taken in this direction in order that public confidence may be restored.

The meeting was full of action, and at times the criticism was bitter. However, the present management had the situation well in hand and a resolution providing for an auditor's examination of the securities was in the nature of a concession to the minority. The latter wanted an investigation to be conducted by the Minister of Finance.

The reports of the various companies showed fairly satisfactory operations under the conditions prevailing, but while these conditions continue the more conservative element questions the advisability of maintaining the dividends at their present rate, especially when a lower rate would permit of a policy of retrenchment in connection with certain investments, the need of which seemed to be indicated by certain statements made.

GREAT WEST PERMANENT.

Net Profits Showed Small Increase Over 1915.

The profit and loss statement of the Great West Permanent Company showed "net" at $208,253, which compared with $203,667 in 1915 and $244,266 in 1914. However, details are lacking as to how this amount was arrived at. For dividends, $192,509 was deducted and the balance of $15,744 carried forward to credit of profit and loss. Following are outstanding features of the account:—

	1915	1916
Net profits	$203,667	$208,253
Dividends	192,001	192,50
	$ 11,666	$ 15,744

Earnings on capital were at the rate of 8.7 per cent., compared with 8.4 per cent. in the previous report, and on investment the showing was 6.7 per cent., compared with 6.6 per cent. Following are the figures for the past five years:—

Year	Paid-up Capital	Profits	Div.	% Profits Cap.	Earn. rate*
1912	$2,247,298	$225,849	9	11.0	8.6
1913	2,256,025	265,301	9	11.6	9.1
1914	2,400,484	244,266	9	10.1	7.9
1915	2,410,925	203,667	8†	8.4	6.6
1916	2,411,862	208,253	8	8.7	6.7

*Per cent. of average capital, reserve and balance at credit of profit and loss.

†For first half of year 9 per cent. was paid and 7 per cent. in the last half.

The balance sheet shows a small decrease in mortgage loans, while stocks held and loans on stocks or other securities showed an increase. Real estate held increased from $123,806 to $439,063, indicating that the company has been forced to take over a large number of properties. In this connection the directors comment that the amount is not excessive considering the amount of money loaned by the company on first mortgages and making allowance for the long period of business depression. It is not anticipated by the directors that there will be any loss on the property taken over, while it is quite probable, they think, that profits may be made in the future.

Largely as the result of new funds from Ontario, the debenture account shows an increase, although there has been a decline in deposits. The total surplus amounts to over $700,000, or more than 29 per cent. of the paid-up capital.

According to reports of the meeting which have reached the POST, statements were made to the effect that it has not been considered necessary to make any material writing-off of the company's securities. It was also stated that interest arrears are heavy.

IMPERIAL CANADIAN TRUST.

Big Improvement in Net Profits Reported.

The directors of the Imperal Canadian Trust Company were able to report a very satisfactory increase in earnings, the total of $37,307 comparing with $18,139 a year ago. In view of this result from the year's operations, the board recommended the resumption of dividends, with a declaration of 4 per cent. for 1916. The profits referred to were at the rate of 4.4 per cent. on capital and 4 per cent. on investment. Following are comparative figures:—

	Paid-up Capital	Profits	Div.	% Profits Cap.	rate*
1913	$574,560	$56,058	.	9.7	10.6
1914	705,116	50,141	7	7.1	6.4
1915	804,784	18,139	.	2.2	2.1
1916	856,658	37,308	4	4.4	4.0

*Per cent. of capital reserve and balance at credit of profit and loss.

The directors report that the conditions prevailing during the year were much the same as in 1915, with desirable and profitable trust business difficult to obtain. In view of this the policy followed has been to avoid new large obligations and to conserve the resources of the company pending more propitious and favorable times. As for the future, President D. E. Sprague expresses the opinion that the company will with its valuable business connections make substantial progress. Following are figures showing progress of five years:—

	Capital Account.	Estates, etc.	Total.
1912	$ 894,078	$........	$ 894,078
1913	1,017,763	2,853,758	3,871,521
1914	1,225,952	5,404,917	6,630,869
1915	1,504,469	5,474,785	6,979,254
1916	1,377,104	5,729,908	7,107,012

UNITED INVESTORS.

Winnipeg Real Estate Co. Marking Time Pending Improvements.

At the annual meeting of the United Investors, at Winnipeg, the shareholders were informed by the officials that a policy of marking time was being followed pending an improvement in the real estate market. President Waugh pointed out that although the company was making no profits, the shareholders should congratulate themselves that it was in so good a position. After the war the company would reap benefits that were sure to come. The balance sheet shows that there was at the end of the year a total of $33,620 at the credit of the profit and loss account, which was being held as a reserve against depreciation of securities and meant that the company can lose that amount without impairing its capital stock.

The profit and loss account for the year showed income from interest $10,125, and expenses of $6,906, including $4,034 loss on sales of properties. The balance of $3,218 is embraced in the profit and loss reserve previously referred to.

NEW SECURITIES LISTED.

Ottawa Car, Ottawa Traction, and Detroit United at Montreal.

The following securities were listed on the Montreal Stock Exchange this week:—

Ottawa Car Manufacturing Company, $1,770,900 capital stock, consisting of 11,779 shares of the par value of $100 each. Ticker abbreviation, O. C. M.

Ottawa Traction Company, $5,184,600 capital stock, consisting of 56,307 shares of the par value of $100 each. Ticker abbreviation O. T.

Detroit United Railway, $2,500,000 additional capital stock, consisting of 25,000 shares of the par value of $100 each.

Ottawa Traction is a holding company for the Ottawa Electric Railway Company, the president of which is Thomas Ahearn, and the vice-president, Warren Y. Soper, who are the dominating figures in the affairs of the Ottawa Light, Heat and Power Company, and the Ottawa Car Company.

WOULD UNITE CANADA WITH WEST INDIES

Canadian Writer Favors a Full Political Union.

MORE THAN COMMERCIAL

Argument Advanced That Montreal Benefits Would Accrue from Going Further Than a More Commercial Bond.

From an Article by Harry J. Crowe, Toronto, in Canada-West-India Magazine.

In a recent issue of your magazine, there appeared a very able article by Mr. T. B. Macaulay, advocating a commercial union between Canada and the British West Indies, but opposing political union. I wish to say with how much interest and profit I have read his views on this vitally important subject, but I would go a step further than Mr. Macaulay; I would include a political union, thus strengthening the commercial bond to the mutual advantage of both countries, and obtaining greater and far more reaching results.

A union confined to commerce would be subject to change by future Governments of all countries concerned. Therefore, lacking permanence necessary to inspire confidence in Canadian capital and enterprise for the development of these islands of the B.W.I.

Unless united by a political as well as a commercial tie, these islands would be exposed to demands for concessions from the U.S., accompanied with threats of retaliation which could not occur if the B.W.I. were a part of the Dominion.

The cash subsidy that Canada would be obliged to furnish these islands, resulting from the loss of revenue due to the free entry of Canadian products, and the necessity of the B.W.I. making their tariffs conform to the Candian, for the rest of the world, (which would be necessary under such a commercial arrangement) such consideration would have no compensating advantages to these countries if they were limited to the uncertainty of merely a commercial union.

A commercial and legislative union between all these British possessions of North America would cause Newfoundland to decide more quickly about entering the Confederation. She could not afford, either politically or commercially, to remain outside of such a consolidation of all her sister colonies in North America.

With the support of the Dominion of Canada, the position of all these Islands would be strengthened in the markets of Great Britain. Her influence would be most valuable in securing commercial preference as well as political recognition.

It would be impossible within a limited space to enter into details, but I should like to place before your readers a few principles that must underlie a successful working out of any union between Canada and the B.W.I.

I am heartily in accord with Mr. Macaulay's strong arguments in favor of a commercial union with these islands. They import largely the very articles which Canada is producing in steadily increasing quantities and for which she must find a more extended market.

Dilating upon the importance of Jamaica more than seventy years ago, Humboldt drew attention to the political significance of the British West Indies upon the opening up of an Isthmian canal. The Panama Canal is now an accomplished fact, and the Caribbean Sea is rapidly becoming a zone through which must pass an enormous volume of the world's traffic. Canada will do well to weigh carefully the strategic importance that zone will thus acquire. But how can we adequately share in the resultant benefits if commercial ties only with these portions of the Empire and no machinery is provided for adjusting and binding their mutual aspirations?

Other nations will not remain indifferent to the growing importance of these islands, and by making overtures or through threats of retaliation may induce them to so enlarge their sphere of preference as to greatly injure Canada's position in the B.W.I. It is therfore most important that Canada should be able not only to cooperate in the creation of mutually beneficial tariffs, but that she should be bound to render aid to every part of the West Indies in regard to their inter-Colonial and foreign policy. She could never render the service due to them if she had no interest in the government of their affairs. Canadian capitalists would not have the same incentive to invest money in the development of the rich resources of the B.W.I. and in the increasing of transportation facility so necessary for further future progress, if they had no greater security than that afforded by a merely commercial union.

If the B.W.I. became a part of the Dominion of Canada, as I have already intimated, Newfoundland would have an additional incentive for entering into this confederation of British possessions in North America. Such a union would enable the people of the ancient colony to have the free entry of tropical fruits which they so sadly need in their present diet, but which is beyond the reach of their fishermen, and it would also give them their molasses and sugar, (importations of which are heavy on the Island) at a saving of a quarter of a million dollars yearly in duties alone. A line of steamers, in the event of confederation, would probably be subsidised by the Dominion Government, running from these islands up the St. Lawrence. These could touch at a port in Newfoundland and discharge these tropical products at the minimum rate of freight. On the return trip, after delivering in Newfoundland the Canadian cargo, the space could be filled up with fish for the B.W.I., thus giving to Newfoundland frequent and regular transportation facilities for the export of her fish into a market of two million consumers.

The great interchange of commerce between these British North American possessions which would support a most up-to-date line of boats running up to the St. Lawrence to our centres of population and wealth, as well as to Halifax and St. John, during open navigation, concentrating on the latter port when the waters were closed by ice to Montreal.

Through a political and commercial union with the Dominion, these islands would not only have their present market in Great Britain and other parts of the world, but a free and ever-increasing market in Canada with the free entry of all Canadian products, thus greatly reducing their cost of living.

A confederation between the B.W.I. alone, which some advocate, with the view of having another dominion, I cannot help but think, is based entirely upon sentiment. I do not see how it could add to the prosperity or devеop these islands. There would be no inter-change of commerce, as they all produce the same products, and have too much in common to create trade or increase their transportation facilities. Their future development must be through their great northern sister-colony, where the exchange of products and ideas would be mutually beneficial.

As I have already mentioned, any commercial preference to Canada would expose these islands to retaliation from the United States. Such a fear could not exist if they became an intregal part of the Dominion. The United States are not going to legislate against their own interests and to the detriment of their trade and commerce, which would be the case if they attempted to penalize any portion of our Dominion. Their treatment of Canada after these two countries met in their Waterloo (through the Reciprocity Pact) at our last general election, demonstrated this fact. Our trade and the raw material we produce are too vital to the future of the development of the United States, and they will never retailiate on any one part of the Dominion, knowing as they do Canada's power to reciprocate.

During a visit to Jamaica last winter, I discussed this question with some of the leading men on the Isl-

Continued on page 11

Fifth Annual Report of the Directors of

The Imperial Canadian Trust Company

HEAD OFFICE - WINNIPEG, MAN.

To the Shareholders:—

It is with pleasure that your directors present for your consideration their annual report of the affairs of the Company, accompanied by the Statement of assets and liabilities and profit and loss, for the year ended December 31st, 1916, and duly certified by the company's auditor.

In reviewing the year's business it may be said that practically the same general conditions prevailed in 1916 as in the previous year. In other words, desirable and profitable trust business was rather difficult to obtain, and, in fact, during these times of unrest and doubtful business conditions, your directors have deemed it in the best interests of the company not to undertake or assume new large obligations, but rather to conserve the resources of the Company, awaiting for more propitious and favorable times.

The idea has been and is primarily to maintain as strong a financial position as possible, having due regard for the interests of the shareholders, and while it would have been gratifying on the part of the directors to be able to report a large volume of new and profitable business for the year, they feel that their attitude and policy in conserving the financial strength of the company in these strenuous times will be duly appreciated by the shareholders.

As regards the company's investments, a substantial portion consists of first mortgages on improved city and farm properties, and, notwithstanding the various Moratoria and War Relief Acts in the Western provinces, the payment of principal and interest was generally satisfactory. This was particularly true of the farm loans, where the borrowers in many instances were not only prompt in their payments, but made substantial cash payments in advance of the amounts then owing. This was due largely to the splendid crops harvested in the West during the last two years.

In the administration of new estates during 1916, a considerable sum was advanced to clients, as shown by the increase in this item in the financial statement. As was general with financial corporations, this company was obliged to take over certain properties last year, but it is not expected, owing to our margin of security, that any loss will result therefrom. As regards any stocks held and owned by this company, it may be noted that they yield a satisfactory rate of interest. Substantial cash reserves were maintained throughout the entire year. While no special effort was made to increase the paid-up capital, yet some $52,000.00 was paid in during 1916, the amount paid-up at December 31st, 1916, being $856,658.13.

The net profits for the year, after providing for all expenses, interest and other charges amounted to $37,207.97. This sum, combined with that brought forward from profit and loss from the previous year, now amounts to $55,447.23. Your directors have duly considered the matter of a dividend for the year, but decided to leave this question to be dealt with by the shareholders at the annual meeting.

While it has not been possible for this young company to make, during the period of the war, when the volume of desirable trust business has been materially reduced owing to unfavorable business conditions, the progress which we had anticipated, yet everything has been done to keep the company in a strong financial position, and on the resumption of more normal times, and with an improvement in business generally, it is confidently expected that this company will, with its valuable business connections, make substantial progress.

Your directors wish to thank the shareholders for their continued patronage, good-will and co-operation, and would again remind them that these features are very essential for the success of the company.

They also wish to express their appreciation of the services rendered by the officers and staff during the past year.

D. E. SPRAGUE, President.

Winnipeg, February 20th, 1917.

The election of directors for the current year resulted as follows:

J. H. G. Russell, W. T. Alexander, D. E. Sprague, J. G. Hargrave, F. H. Alexander, Dr. A. D. Carscallen, E. L. Taylor, S. D. Lazier, R. G. Affleck, Hon. A. C. Rutherford, Edmonton, Alta.; W. H. Duncan, Regina, Sask.; James Short, K.C., Calgary, Alta.; R. T. Elliott, K.C., Victoria, B.C.; Thos. S. McPherson, Victoria, B.C.; Jonathan Rogers, Vancouver, B.C.

BALANCE SHEET
As at December 31st, 1916

LIABILITIES.

Capital Account:			
Capital stock subscribed	$1,171,700.00		
Capital stock paid-up		$856,658.13	
Deposits		48,243.47	
Sundry creditors		1,647.26	
Guaranteed investments (Secured by allocation of mortgages.)		260,000.00	
Reserve fund		155,108.20	
Balance carried forward at credit of Profit and Loss Account		55,447.23	
			$1,377,104.29
Estate Trust and Agency Account:			
Clients' and beneficiaries' capital			5,729,907.91
			$7,107,012.20

ASSETS.

Capital Account:			
Mortgages on real estate		$368,996.72	
Head office premises	$163,526.80		
Less balance owing on purchase	133,352.35		
		30,174.45	
Advances to clients secured by estates' assets		425,715.83	
Stocks at cost		413,938.91	
Real estate acquired by foreclosure		66,499.70	
Furniture and fittings, head office and branches		18,146.65	
Charter and License		2,326.80	
Rents prepaid		6,979.86	
Sundry accounts due company		1,431.80	
Cash on hand and in bank, head office and branches		42,893.57	
			$1,377,104.29
Estate Trust and Agency Account:			
Assets under administration			5,729,907.91
			$7,107,012.20

D. E. SPRAGUE, Vice-President.

W. T. ALEXANDER, General Manager.

PROFIT AND LOSS ACCOUNT
As at December 31st, 1916

Net profits for the year, after deducting all organization and management expenses, interest on deposits, auditors' fees, etc.	$ 37,307.97
At credit of account, January 1st, 1916	18,139.26
Carried forward at credit of Profit and Loss Account	$ 55,447.23

RESERVE FUND.

Balance at December 31st, 1916	$155,108.20

AUDITORS' REPORT

We beg to report that we have audited the books and accounts of The Imperial Canadian Trust Company for the year ending December 31st, 1916, and have found them properly stated and sufficiently vouched. In our opinion, the above balance sheet presents a correct view of the state of the company's affairs as at December 31st, 1916, according to the best of our information and the explanations given us, and as shown by the books of the company.

We have verified the securities for loans in the hands of the company, and have compared them with the mortgage ledgers, and found them in agreement therewith. We have also inspected the certificates for stock held by the company and found same in order.

We would recommend that a contingent reserve be created for any possible losses on real estate acquired by foreclosure and uncollected interest accrued and due.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Winnipeg, 16th February, 1917.

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OF CANADA

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Toronto, March 3, 1917.

BUSINESS IMMIGRANTS

BASED on information from all sources, there was never a time in the history of Canada when there were so many enquiries from American manufacturers desirous of establishing branch plants in Canada. There is a growing feeling among our neighbors that there will be preferential trade, throughout the British Empire, and possibly extending to all the Allies. Beyond this they believe that Canada will show remarkable growth in the years following the close of the war. They think it good business to have a plant in Canada with which to supply British and Allied trade as well as the tremendous demand which a growing country requires.

There have been more representatives of American manufacturers trying to sell goods in Canada than ever before, notwithstanding the scarcity of raw materials. Firms who have never tried to do business here are awakening to their opportunities and there are many opportunities for the sale of goods that are not now manufactured in Canada.

The address by Mr. Dennis, Assistant to the President of the Canadian Pacific, noted in these columns, recently delivered in New York, has attracted a great deal of attention and has been freely quoted throughout the United States. In his talk Mr. Dennis predicted a population for Canada, in a comparatively short time, of 50,000,000 people.

It is unfortunate that we have no national officials to whom these enquirers and enquiries can be referred. The majority are being taken care of by the various trade and technical papers, but there are some points on which it is important to have official Government information. Here again, we find the need of a business man in our Ministry of Trade and Commerce.

PAPER PRICES AND SECURITIES.

THE paper manufacturers are facing a crisis in the career of that very important industry. They have a great problem to consider and they must look past the present to the future. THE FINANCIAL POST has strenuously defended the interests of the investors in electric enterprises in Ontario against the confiscatory policy of Beck and his followers in the face of a sweeping wave of popular opinion. But years ago it condemned the high-handedness—the indifference to the interests of their customers—of those directing these same industries. It has cried down the outrageous methods of the International Nickel interests—whose methods have justly aroused public opinion and resulted in government reprisals. The paper interests should mark these straws which show how the wind blows.

The pulp and paper interests have passed through a period of trying times. They were justified in getting together but they were not justified in forming combinations in Canada and the States, which according to the finding of the United States Federal Trade commission have eliminated competition, charged extortionate prices, and made an artificial shortage of paper. The result is that the manufacturers have and are stirring up feeling against them, the aftermath of which may be felt for years and may make paper securities as unstable in the future as are the power investments in Ontario—not through the fault of the shareholders, but because of a short-sighted policy on the part of the directing officers of the companies concerned.

The pulp and paper makers, are, in the matter of antagonistic public opinion, in a much worse position than any other combination of manufacturers. They have the press of the country against them, and public opinion is formed by the press. Mr. Hardy, who has, for many years, been manager of associations in the Canadian metal trades, and who had to fight an aroused public opinion in the courts, remarked to THE POST, recently, that, speaking from experience, he would never become associated with any combination of manufacturers that had to fight the press.

There is matter here for serious consideration of directorates and investors in pulp and paper securities.

FOSTER'S FALSE ECONOMY.

SPURRED by the inspiration of Premier Lloyd George's speech, and the announcement of Great Britain's policy of entrenchment in regard to public consumption, Sir George Foster endeavors to reflect the limelight to himself by again calling upon the people of Canada to exercise thrift. But Sir George has the wrong idea of economy. He asks that we all should eat less, wear less—buy less. If we all obeyed this injunction thousands would be thrown out of employment. Although he is the head of the Department of Trade and Commerce—the business head of the country—he shows that he is not a business man. If he were he would know that real economy means cutting out waste—waste of material, waste of men and waste of energy. A captain of industry will not increase the efficiency of his organization by stopping buying but by cutting out waste and needless expenditure, by installing more efficient machinery and by putting employees where they can do the best work.

If we are to buy less let it be less of imported luxuries. In this Sir George and his colleagues have the remedy—taxation. Thus will we, not only favor our own products, but we will increase the national revenue from the pockets of those who are able to buy these luxuries which are not made in our own country, while the tendency will be to bring foreign makers within our own boundaries to supply our market.

Mr. Foster would do well to apply practical economy to the business department of the nation under his control. His utter lack of ordinary business methods is showing in the handling of Canadian orders from British foreign and colonial governments. His numerous mistakes have cost the country thousands. Personally a man of charming disposition and sincere purpose, he is not fitted for the position which he holds and his first step for the efficient administration of his own department would be to ask that he be transferred to another portfolio so that the work might be taken up by one with large business experience and practical executive ability.

TRAINED EXECUTIVE OR PLAIN FARMER

MR. N. W. ROWELL, Liberal leader in the Ontario Legislature, has objected to the course of Premier Hearst in taking the portfolio of Agriculture. He says that a farmer and not a lawyer should head that department. Mr. Rowell is right in raising the question but wrong in his policy. He is a lawyer and has been associated with some big industries but he has failed to grasp and appreciate the big business principles which are involved. Would he, for example, pick out an ordinary machinist and put him in charge of the big steel plant at the Sault? Yet this is the policy he advocates. What is wanted in the Ministry of Agriculture is a man whose career has proven his ability to deal with and master big problems. The technique of the work can be handled by trained men as his lieutenants. Perhaps the greatest agricultural minister Canada has ever had was the late Sir John Carling, one of the most successful manufacturers and business builders in the country in his time.

We will go so far as to agree with Mr. Rowell, that a lawyer is not, as a rule, a good man for a big executive position, and there are perhaps too many in public life who have worn the gown; yet a lawyer is more likely to prove capable as an executive than a farmer who has had little business experience. The list of great executives of the world to-day contains near the top the names of Lloyd-George and of Judge Gary, chairman of the United States Corporation, both lawyers.

THE GOVERNMENT AND THE RAILWAYS

THERE is no evidence that the crisis in the Canadian railway situation as the result of the traffic blockade has brought nationalization of the big systems any closer. The answer is to the contrary. In fact not only has the demand of the Manufacturers' Association, Boards of Trade and other public bodies, that the government operate the railways as a step in solving the coal problem been refused point blank but it has caused the powers at Ottawa to reveal their hand with regard to the whole question. We quote the following from Sir George E. Foster, acting Prime Minister, to the Mayor of Toronto:—

> "Taking all the factors into consideration, the congestion on the other side of the line, the exceedingly steady cold weather, and the scarcity of labor in our own country, it would appear that the situation has been more successfully handled than if the Dominion Government had undertaken to take over the railways and manage them for this particular purpose. The Dominion Railway Commission, as I noted above, have been and are doing all they possibly can, and in co-operation with the railways, to meet the present traffic conditions."

This statement of Sir George, which must be taken as the expression of the government with regard to the matter, not only vindicates the railways in their handling of the situation and supports the policy of the Railway commission but it places endorsation upon the principle of private ownership of the roads with government regulation through a public body. No one appreciating the political principles employed in dealing with questions before the public could for a moment suppose that Sir George, as the acting premier, would go so far in upholding the present system if there was even a remote chance that in the near future a proposal for nationalization was to be put before the people by the government.

Expreienced business men. who oppose public ownership—which experience shows is mob rule—and favor national control, ask whether the present Railway Commission is strong enough for its job; whether thoughts of present and future political aspirations may not be a brake on its activities.

EDITORIAL NOTES

GERMANY'S idea of the freedom of the seas is to put neutral ships into stripes.

* * *

IT BEGINS to look as though Bryan's idea "of getting behind the president" was for the purpose of stabbing him in the back.

* * *

A NATION'S "armed neutrality" reminds one of the enterprise which carries on business some time before the "formal opening."

* * *

A WRITER in the London *Nation* says that the Borden government is in danger of succumbing to a complication of diseases. An operation to remove several of the ministers, who are like organs which have failed to perform their proper functions, would, we contend, restore the patient.

• • •

MIGHT the point not seem worth considering that if Hydro-Electric operation is to be so much more efficient and beneficial than that of the Canadian Northern on the Hamilton to the border project that the latter would be afraid to go through with the undertaking, when the former might easily establish an opposition line.

• • •

OTTAWA has discouraged the removal of the prohibition of oleomargarine. Quite right. Canada is in the world market as a producer of dairy products; she should not encourage substitutions. No manufacturer of a legitimate article would consider it good business to encourage the consumption of a substitute at a lower price.

LORD MILNER—SELF-MADE MAN

A Romance of What Hard Work and Courage Has Accomplished in the Making of This Notable English Statesman.

Of the five members of the War Committee of the new British Cabinet, that is to say, of the inner circle of the Administration, who form the species of dictatorate to which the British Empire looks for the successful conclusion of the present war, the only one who rivals Lord Curzon in masterful ability, is Lord Milner. There are many indeed who looked upon him as superior in capacity to the former Viceroy of India, and it is a wonderful tribute to his cleverness that the English people, in spite of their intense prejudice against everybody and everything connected in any way with Germany, should have almost unanimously insisted on Milner being included in the War Council despite his Teuton birth. early education and relations.

For two reasons, Milner is a figure of more than ordinary interest. First, he is an entirely self-made man who, without any advantages of lineage, wealth or the influence of powerful relatives managed to achieve fame as a great administrator and to win a seat in the House of Lords and the Grand Cross of the Order of the Bath, usually regarded as the crowning reward of civil service under the Crown before he was fifty. Then Milner is generally understood to have received and to have declined an offer of partnership from the late J. Pierpont Morgan. That great financier was a particularly shrewd judge of men, and an invitation to join his firm was wont to be regarded as a very great compliment and as a diploma of business brilliancy from the most famous captain of finance of his time. When the late Sir Clinton Dawkins died, Lord Milner was approached with a view to taking up his succession as the principal English partner and manager of the British end of the international banking concern of J. Pierpont Morgan. It is said that the offer was of a very flattering nature, that the advantages held out to Lord Milner were of a very alluring character and that the late Mr. Morgan was especially anxious for the co-operation of Milner in his affairs.

According to a recent article in the New York *Times*, Lord Milner declined this and other invitations of a somewhat similar kind, in the belief that their acceptances would interfere with his political future. He had every confidence in his own star, and was firmly convinced that on the return of the Unionists to power he would be able to command high office, for he is one of those men to whom political eminence and a place in the pages of history constitute a far greater attraction than mere wealth.

Had there been any defeat of the Liberals either in Parliament or at a general election prior to the war, Milner would undoubtedly have been accorded an important place in the Unionist Cabinet. But the Liberals managed to remain in undisturbed power until 1915, when they were forced, not by Parliamentary insistence, but by the overwhelming pressure of popular sentiment, to consent to a reconstruction of their ministry on coalition lines.

While Lord Milner has not been appointed to the management of any of the great departments of the State, he has been named as a Minister without portfolio in order to enable him to give the benefit of his experiences in the entire conduct of the Government and to render it possible for him to devote himself principally to the direction of the war and to the problems of policy immediately connected therewith.

It was in this capacity that during the past fortnight he visited Rome in order to take part in the congress assembled there by the Governments of the Entente Powers on the subject of the situation in the Balkans. On his way back to England he stayed over in Paris to consult with Premier Briand and at the headquarters of the French and British Generalissimos in order to confer with them. It is understood that he has played an important role in determining the Allies to adopt without any further delay a more energetic and definite policy with regard to Greece.

It is difficult to realize that the staid, the sober, the intensely dignified statesman who is Lord Milner, whose impressive bearing and appearance—he is built on large lines—are calculated to chill unseemly levity, was for four years associated in an editorial capacity with the late William T. Stead, on the staff of the *Pall Mall Gazette* of London, which a decade or so afterward was to pass into the possession of William Waldorf Astor, now Lord Astor, and which has recently been bought by Sir Henry Dalziel, the proprietor of *Reynold's Weekly.* If ever there was a strange union, it was the cooperation of two such entirely dissimilar men as Stead and Milner.

When Stead's craze for sensationalism led him to embark upon the publication of that amazing series of articles entitled, "The Maiden Tribute of Modern Babylon" in the *Pall Mall Gazette*, Milner's vigorous objections strained his relations with his chief almost to the limit, and on Stead's embarking shortly afterwards on a series of articles of a still more shocking nature, which were fortunately choked off just in time by certain members of the Government, who appealed over Stead's head to the proprietor of the paper, Milner parted company with Stead, abandoned journalism and shortly afterward accepted an offer to become the private secretary of the late Lord Goschen.

On the latter's becoming Chancellor of the Exchequer, Milner followed him into the Government service and thus commenced his official career. He rendered himself invaluable, first of all to Goschen, and after him to Sir William Harcourt at the treasury, and when it became necessary to appoint an Englishman to the post of Assistant Minister of Finance in Egypt, both Goschen and Harcourt united in recommending Milner for the well paid post.

Association at Cairo with Lord Cromer and his daily experience there of the difficulties then placed in the way of Great Britain in Egypt by the various foreign Powers, broadened his mind and may be said to have laid in him the foundations of that statesmanship of which he has now become a master. His experiences in Egypt, where he won unstinted praise, are related in his book, "England in Egypt," a wonderfully lucid description of the benefits which the land of the Nile has derived from British rule.

He returned home after three years to take up the duties of the chief of the Department of Inland Revenue, where he played a prominent role in the reorganization of the civil service, in the creation of the present system of death duties and in the conversion of the debt, receiving first of all the Companionship and then the Star of Knight Commander, of the Order of the Bath.

When Lord Rosmead, better known as Sir Hercules Robinson, broke down after the Jameson raid and was obliged to surrender the office of Governor-General and High Commissioner of South Africa, both of the political parties united with Cecil Rhodes, the Empire Builder, and with Joseph Chamberlain, then Secretary of State for the Colonies, in declaring that there was but one man who possessed the necessary qualifications for the post and who was fitted to cope with President Kruger's intrigues with foreign Powers against British suzerainty, namely, Sir Alfred Milner. On the eve of his departure for the Cape he was entertained at a memorable banquet, at which the Ministers of the day joined with the leaders of the Opposition in wishing him Godspeed and in paying tribute to his brilliancy.

Sir Alfred Milner had no sooner reached the Cape that he set at once to work to master the South African Dutch patois, so as to be able to talk to the Africanders in their own language and without the assistance of an interpreter. Moreover, he visited every corner of his great satrapy, in order to get into personal touch with the people of every class. race, creed and condition.

It was therefore with more than ordinary knowledge of the situation that he was able to deal with the Presidents of the two Boer republics and personally to conduct with them the negotiations which culminated in the war, which had been inevitable from the very outset. He has been charged with the responsibility for the war. That is nonsense. It could not have been averted save at the sacrifice by Great Britain not alone of her suzerainty over the two Transval republics and of all her immense gold and diamond mining interests within their borders, but also of her other possessions in South Africa, including Natal, the Cape Colony and Rhodesia.

Milner remained at the head of the civil administration of that portion of the Dark Continent throughout the entire Boer War, and then after its close, when the work of pacification began, he fell foul of Lord Kitchener, who after the departure of Lord Roberts had remained invested with the military command in chief.

The quarrel between Milner and Kitchener was very much of the same kind as that between Kitchener and Lord Curzon in India some years afterward, namely, a conflict between the civil and military authorities for supremacy, and as Kitchener defied not only Milner, but also the Colonial Secretary, Joseph Chamberlain, and conducted independent negotiations with Gen. Botha and the other Boer leaders, Milner found the position untenable and returned home, prompted, moreover, to resignation by the hostility of Rhodes and of the other Rand magnates, who resented his refusal to run the civil government of South Africa for their benefit: that is to say, for the multimillionaire coterie at Johannesburg and Kimberley instead of for that of the people.

On his arrival in England, Milner was showered with honors. He was welcomed in state at the railroad station by Chamberlain, the Secretary of State for the Colonies, and carried off by him straight to Buckingham Palace, to receive recognition for his services from King Edward in the form of a peerage, which later on was transformed from a barony into a viscounty. He subsequently went back to the Cape, with increased prestige and authority, to organize the great confederation now known as the Union of South Africa, and remained there until the downfall of the Unionist Cabinet, when he resigned and came home. After that he held no office until appointed last month to the Lloyd-George Cabinet as Minister without portfolio and as member of the War Council.

PERSONAL

ARTHUR A. HOLLAND, one of the Montreal passengers who was on board the Laconia when she was torpedoed, was connected with the firm of Milton Hersey & Co., as a mining engineer. He was originally from Ottawa, and was a graduate of Queen's University.

EDWIN GOULD, Jr., the twenty-year-old son of Edwin Gould, the well-known New York financier, was instantly killed early on Sunday last, by the accidental discharge of his gun, while he was hunting coons near Jekly Island, with a companion.

HON. E. H. BRONSON, vice-president of the Ottawa Light, Heat and Power Co., who presided at the annual meeting in the absence of President Thomas Ahearn, is one of the dominating figures in the lumber business in the Ottawa Valley. He is president of the Bronson Company, manufacturers of ground wood pulp.

LIEUT.-COL. B. A. WESTON, general manager of the Eastern Trust Company, which held its annual meeting last week, was formerly a lawyer. He has been very successful as a financier; the company that he manages having made very satisfactory progress under his direction.

GENERAL JOHN CARSON, who acted as the personal representative of Sir Sam Hughes in England, is expected to return to Canada shortly. In private life General Carson is president of the Crown Reserve Mining Co., Ltd.; president of the Porcupine Crown Mines, Limited; vice-president and managing director of the Crown Trust Co.; director of the Union Bank of Canada; director of the Lake of the Woods Milling Co.; director of the Keewatin Flour Mills Co., and director of Cassidy's, Limited.

E. E. LOOMIS, who has been elected president of the Lehigh Valley to succeed E. B. Thomas, who becomes chairman of the board, twenty years or more ago was taking dictation in the office of the Erie Railroad, where he gained so much information regarding railroading, particularly in respect of the mining and transportation of coal, that he soon moved to something better than his job as private secretary. Subsequently, when the Erie took over the New York, Susquehanna and Western he was placed in charge of the coal department of that company. When Sam Sloan retired from the presidency of the Delaware, Lackawanna and Western and was succeeded by W. H. Truesdale, Mr. Loomis was invited by the latter to the Lackawanna, of which he became vice-president, and a very good one at that. In fact, he developed into one of the best railroad men in the country and probably the highest authority on anthracite coal in the land, while his ability as a high-grade business man became so well known that his entrance into the directorate of banks and corporations naturally followed. He is one of the men who arrived early in life. And he is still young and always good natured. The Lehigh gets a young big man who knows the railroad business from A to Z.

LORD CROMER, whose death took place recently in England, was one of the greatest executive administrators the Empire has ever produced. It was in Egypt that he won a reputation which placed him as a financier and governor in the very forefront of his generation. At the time of his appointment as consul-general and agent of the British Government, that country was on the verge of bankruptcy as the result of the policy by which development had been attempted in a manner which resulted in an exceedingly heavy financial burden on the people. Bondholders of England and France clamored for their money with the result that the viceroy was deposed in favor of Lord Cromer then Sir Evelyn Baring. It would take us too far to enter into the policy adopted by Lord Cromer and the wonderful success which attended it. It is enough to say that England and France did not work together as happily as might have been expected; that France withdrew; and that England alone had to put down the mutiny of Arabi and practically to take charge of the government of the Valley of the Nile. The khedive had not been satisfied with all the measures of rapine and extravagance referred to above. He essayed also to maintain his authority as far as Khartoum, which resulted in a rising of the natives, the massacre of Egyptian troops, including Gordon Pasha, and the practical establishment for a time of the rule of the Khalifa. For a time the British Government confined itself to re-establishing the credit of Egypt and re-introducing some kind of decent government. The Government at home, speaking generally, was desirous of keeping within the narrowest limits its responsibilities for the Valley of the Nile. But Lord Cromer saw the greatness of the opportunity and the momentousness of the obligation. And at length he gained such influence with the public at home that Governments were compelled gradually to follow his lead. Reforms of every kind were introduced. The debt was reorganized. The rates of interest were reduced. Strict economy was enforced in every department. And with wonderful quickness Egypt began to revive. Then there followed efforts to improve the Nile and to give Egypt the benefit of a fuller supply of its waters. Ultimately the reconquest of the Soudan was undertaken.

CURRENT OPINION

UNDISTRIBUTED PROSPERITY.

New York *Journal of Commerce.*

The latest evidence of what is called our "unprecedented prosperity" appears in the statistics of foreign trade for the month of January and for seven months of the current fiscal year. For the month exports reached a value of $613,400,000, compared with $330,784,000 in the same month last year, and $204,000,000 in January, 1914. Imports were valued at $241,700,000, against $184,300,000 last year and $154,700,000 in 1914. The excess of exports over imports amounted to $371,700,000 in January this year, $148,420,000 last year and $40,320,000 in 1914. For seven months of the fiscal year ending with January exports were valued at $3,614,000,000, imports $1,348,000,000 and excess of exports over imports $2,266,000. The figures for the corresponding period a year before were $2,183,000,000, $1,097,000,000 and $1,086,000,000. For that ending January, 1914, they were $1,522,000,000, $1,067,000,000 and $454,000,000. These are impressive figures, "signifying much."

No doubt they signify for some people a high degree of prosperity. Among other things they indicate large opportunities for labor at high wages; but they are accompanied by high prices for many things, including necessities of life, and denote what is so often referred to as the "high cost of living." This high cost of living affects everybody. Everybody shares in paying the high prices, but a comparatively small proportion of the people share in receiving them. A large number of the working people do not share in the high wages, at least not in those which have risen in proportion to the cost of their living, which in very many cases has to be pretty poor.

While we see so many of these impressive figures of profit and of huge foreign trade, and of much domestic industry and trade which contribute to it, there is perpetual complaint of hardship and suffering and investigation into the causes of it. There are pitiful pleas for relief from starvation, such as beset the City Hall with a crowd of poor women the other day. Evidently there is a bad distribution of the fruits of this boasted prosperity. While many are short of food and weeping with their hungry and ill-clothed children exposed to cold weather, there is an enormous waste of the food supplies in thoughtless and heartless extravagance. Recipients of high profits squander them in self-indulgence and a few show any disposition to share with the suffering. Comparatively little is done for their relief at home while there are organizations to rescue from starvation abroad. This latter should be increased and not lessened, but more of the squandered surplus of profit should be used in relief of domestic suffering. Little of that is afforded by complaint and criticism or even by expensive investigation.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

The Crispette Company.

E. A. T., Drumheller, Alta.—Will you kindly give me any information you can concerning the Crispette Manufacturing Co., Ltd., an incorporated joint stock company in Manitoba. Are shares in this company of any value?

We have made inquiries at Winnipeg and find that there was a small company operating there some years ago under the name mentioned. This concern went into liquidation. It manufactured a popcorn product, but only in a small way. There is some talk of a new company being formed under the name referred to, but this cannot be verified. Also, there is a report that a company to be known as Merrillford, Limited, will go into the manufacture of crispettes at Winnipeg. If you are holding shares in the old company, we do not believe they are worth anything, but you might communicate with a broker at Winnipeg.

Sawyer-Massey.

C. McD., Hamilton.—Would be obliged for any information you may be able to give me re Sawyer-Massey preferred.

There has been no information recently regarding the affairs of this company and inquiries which we have instituted have failed to bring anything of interest. The market gives no indication of the value of the securities. The annual statement should be ready shortly.

Bank Clearings.

H. G. S., Toronto.—If you have the information, and can do so conveniently, will you be good enough to give me the bank earnings for 1915 and 1916 at Winnipeg, Calgary, Montreal, Toronto, Hamilton and Ottawa.

The bank clearings for which you asked are as follows:—

	1915.	1916.
Winnipeg	$1,526,751,102	$2,069,463,987
Calgary	169,758,599	233,097,671
Montreal	2,628,123,429	3,722,689,661
Toronto	1,885,956,257	2,571,435,712
Hamilton	151,420,251	200,811,087
Ottawa	211,636,520	261,049,599

In connection with bank clearing statistics, comparisons between different Canadian cities should not be made without taking into consideration the fact that at Montreal, Toronto, Vancouver and Winnipeg, the banks adjust differences between one another in gold or legal tender, while at the other cities settlements are made by drafts on the four cities referred to. In consequence, the clearings at these four cities are greatly inflated. Vancouver has Victoria and New Westminster as tributary points, while Winnipeg has a large territory, with Brandon, Calgary, Edmonton, Fort William, Medicine Hat, Moose Jaw, Regina, and Saskatoon all settling by draft on that city. In Ontario, Hamilton and London actually settle by draft on Montreal, as also do the cities of Halifax, Ottawa, Quebec, St. John and Sherbrooke. Points left for Toronto are Brantford, Peterboro and Kitchener, from which the returns are small.

STEEL OF CANADA.

T. H. B., South Bend.—Can you give me any information regarding the securities of the Steel Company of Canada.

The Steel Company of Canada has issued $8,850,000 of 6 per cent., first mortgage and collateral trust bonds, $6,496,300 of 7 per cent. cumulative preferred stock, and $11,500,000 of common stock, fully paid up. The interest on bonds is $531,000 and the dividend on the preferred stock is $454,741. Since the formation of the company in 1910, the profits have exceeded the interest on the bonds in every year except 1914. In 1913 the profits exceeded the interest by $1,022,961, despite the fact that $137,500 was laid aside for depreciation on the plant. In 1914, notwithstanding the fact that only $63,542 was set apart for depreciation, the profits were exceeded by the interest charges by $38,783 preferred dividends amounting to $227,371 were paid out of the surplus. In 1915, the company after making an allowance of $400,000 for depreciation and for improvement of the plant, had profits of $2,299,452 in excess of the interest. Doubtless the annual report for 1916 will show even greater profits in excess of the interest on the bonds.

The surplus after the payment of preferred dividends has varied somewhat. It grew from $245,918 for the six months ended Dec. 31, 1910, to $511,031 in 1913, but in 1914 the deficit was $313,172. In 1915, it rose again to $1,756,211, and must have been large in 1916. The total surplus increased from $245,918 on Dec. 31, 1910, to $3,014,641 in 1915, though it fell in 1914. A 4 per cent. dividend on the common stock would take $460,000 a year and an eight per cent. dividend $920,000. The average surplus, after preferred dividends were paid, for the five years ending Dec. 31, 1915, was a little over $600,000 a year, and in normal years less than $500,000. This would scarcely seem to justify the hope that an 8 per cent. dividend will be paid. It ought, however, to justify the regular payment of the 7 per cent. dividend on preferred stock and possibly a common stock dividend of three or four per cent.

SOLVING THE PAPER PROBLEM

What The Post Said With Regard to the Price Issue in October last.

In view of the attitude editorially taken in this issue regarding the paper situation in Canada and the question of price regulation, readers may be interested in the following, regarding the matter which was printed in THE POST of October 21, last. We then said, as we still contend, that in the problem before them the paper manufacturers have to solve a question which may have an important bearing upon the whole future of the securities of the industry. We reproduce:—

HINT TO PAPER AND PULP INVESTORS.

The pulp and paper industry is facing an important problem at the present time. If the managers solve it intelligently, the securities will become one of the safest of our permanent investments. If not, they will continually be subject to press and parliamentary attacks and hampering, if not confiscatory legislation.

Pulp and paper making as a whole has never been a very profitable business in this country, owing to mismanagement. Well conducted institutions, like the Laurentide, for example, have, for years, been most remunerative to investors, while the properties themselves have become increasingly valuable each year. During the last few years there has been a marked improvement in the industry. More experienced men have directed, and the efficient methods adopted have put many concerns on a proper business basis.

Investors in these securities now find themselves in a more fortunate position than, perhaps, few of them ever hoped for. Shortage of supplies and increased demand has enabled the association of manufacturers to get together and dictate terms to consumers as they were never able to do before; and, as organizations, some of them, through theeir official representatives, are doing so in an arrogant, offensive manner. The representative of one association in an address before an important body of publishers, in New York, frankly told them that the paper and pulp makers had the consumers in their power and that they proposed to use that power to make big profits while they had the chance.

Conditions are not so bad here as in the United States, though all belong to the same association. News print paper, made largely from Canadian pulp, has been selling at $1.87 to $2 per hundred pounds. Costs have gone up, at most, 50c, yet mills that made their own pulp are demanding $6 from New York daily papers this week. In Canada, under pressure from our Minister of Finance, the Paper Makers Association agreed to make a price of $3 for 1917. This was not satisfactory to the Minister, who threatened them with an embargo on export. The paper makers are now conferring on the matter and, on behalf of the investors and the industry in its relation to Canada as a whole, we would earnestly commend the managers to study, on the one hand, similar conditions that existed between the managers of electrical power and light concerns in Ontario, and the consumers—mainly the Canadian Manufacturers Association and say the International Nickel Co.—and, on the other hand, the relations existing between, say the Gas Company of Toronto, or the United States Steel Corporation, and their customers.

These experiences suggest that the pulp and paper makers and their customers should get together, discuss the situation frankly and agree upon a price basis that will enable the manufacturers to pay good wages, good dividends on the investment and build up the industry on a basis that will ensure its permanency of dividends. On the other hand, the newspapers must not expect, as they do, the manufacturers to cut their reasonable profits to enable the papers to turn out cumbersome issues to be sold at an actual loss. We know of one daily, owned by a large capitalist, that is now selling on a basis which represents an annual loss of $75,000. The Minister of Finance should tell the newspapers they must sell their papers on a business basis before he will agree to apply, if necessary, pressure to the paper makers. Either a smaller paper and a one cent rate or a larger at two or three cents a copy. In this principle he will have the support of 95 per cent. of the newspapers of the country.

SOME QUESTIONS *re* EMPIRE LAND SCHEM E

Canadian Gazette Raises Some Pertinent Points With Regard to Proposal Which Has Development of Canadian Farm Lands in View.

The Empire Resources scheme which is being developed in England for the exploitation of Canadian farm lands has been commented upon in these columns recently and caution advised in connection with it. The Canadian Gazette, published in London in Canada's interests, asks some pertinent questions regarding the project which are interesting and timely in view of the fact that the writer has the opportunity of dealing with the matter at first hand. We quote:—

The Empire Resources Development Committe came before the British public through the press on Monday morning, and set itself to "present a prima facie case for the consideration of the Government." The members are, it would seem, especially eager to develop the latent resources of the Empire for the purpose of repaying spedily the huge national debt created by this war—probably 4,000 millions sterling. There are, for example, the oil resources of certain British territories overseas; the palm products of Africa and the Pacific may, we are told, be made to yield 50 millions sterling a year, and so on. By the aid of the British Treasury, these enterprises could be made highly profitable for the overburdened British taxpayer. This is the first sphere of activity which the committe has in mind—the sphere of Imperial Crown Colonies, Protectorates and India, in which the Imperial Government can act at once without infringing any autonomous rights of overseas peoples. But a memorandum by one of its members is also circulated by the committee, which makes its proposed operations of great interest to Canada. It is suggested (we quote from the Times report) that—

An Imperial Development Board should arrange with the Dominion of Canada for the purchase of some 200,000,000 acres of arable land in great blocks in Alberta, Saskatchewan, Manitoba, and British Columbia for, say, £40,000,000, paid by England at the rate of £10,000,000 a year, and on the condition that the Dominion Government spends the whole of that capital in the immediate development of her great and fertile north land. It is believed that the value of these great lands in such an Empire farm would speedily reach £20 an acre, or, in all, the Empire would receive in cash £4,000,000,000—the value of its debts for war or pre-war.

There are possibilities of the rapid development of the tropical and sub-tropical portions of the Empire and of its fisheries. In all these cases there is nothing to prevent a Board of Development getting to work at once for revenue purposes on raw material of endless quantity and quality. But with the good will of Canada a scheme could be undertaken which would add infinitely to the wealth and prosperity of the Dominion and would provide the Empire's food from the Empire's "farm."

It is a scheme of titanic proportions—forty millions sterling of British state money applied at the rate of ten millions sterling a year to the cultivation of 200 million acres of Canadian prairie land! The idea seems to be that the British Treasury should buy these lands at a dollar per acre, Canada to develop them to the point when they can be sold for $100 (£20) an acre, and then hand the proceeds of the sale, 4,000 millions sterling, over to the British Treasury to cover our war and pre-war debts. For the moment we will content ourselves with a few necessary questions:—

"Have the Federal and Provincial Governments of Canada given the scheme any sort of sanction, even in a preliminary way? We imagine not. After all, these lands are the property of the Canadian people.

"And, being the property of the Canadian people, would not the Canadian people naturally expect any scheme of the kind to be used to liquidate their own national war debt? The war debt of Canada may total something like 650 million dollars before the end of the coming financial year.

"It is the way of the West for the man who works the land to own the land and pocket the proceeds of his labor. Where would the new scheme benefit the man who made it a success? Would it be enough for him to know that he, a Canadian, was helping to pay off a British Empire debt?

"How many land workers would be needed to develop these 200 million acres, and where are they coming from? The area now under field crops in the three Prairie Provinces of the Canadian West is 20 million acres, and the rural population is 850,000; at that rate it would take a new rural population of 8,500,000 to cultivate an additional 200 million acres.

"In the good wheat year of 1913, 5,720,000 acres in the grain-growing Province of Saskatchewan produced 121,600,000 bushels of wheat; suppose 100 million acres of the new land were brought under wheat, they would produce 2,100 million bushels. Where is to be the market for the new 2,100 million bushels? Britain is the great wheat buyer of the world and her importations from all North America, India, Russia, Australia, Argentina, and the rest of the globe, are only 210 million bushels a year. The whole world production of wheat is now less than 4,000 million bushels."

When we know these and a few other things we shall be better able to judge the new scheme on its merits.

WOULD UNITE CANADA WITH WEST INDIES.

Continued from page 9

and, and found there was a general objection to granting Canada any trade preference because of the fear of this retaliation on the part of the United States. But when a scheme for political union was submitted to them, they saw that this danger would be removed; also that there would be other advantages in a confederation with the Dominion.

The people of the B.W.I. are now prepared to entertain the expediency of entering upon a conference having for its object a fusion of all interests. Canada should earnestly examine the problem before she decides to reject an opportunity that may never recur, and to rest satisfied with a union that has never yet successfully resisted the ravages of time, and the constantly recurring friction arising from selfishness and sectional interests (Commercial Pacts.) She should have regard to the great political as well as the commercial future of these tropical British possessions, which are larger than the Dominion of New Zealand and have double its population.

The *Daily Gleaner*, the most influential journal in the B.W.I., published not long ago a strong article favoring political union. Permit me to quote some of the points from the pen of its able editor: "The war has brought a spirit of oneness—especially that feeling of solidarity of Imperial sentiment—a oneness of outlook. If the West Indies stood with Canada as one political and economic unit, their position would be generally strengthened, they could be a part of a larger Canada, a greater Canada, a Canada that has proved her worth in the battlefield, as well as in the peaceful plains of trade and commerce. Confederation is the political and economic watchword of the future."

For many years attempts have frequently been made to bring about a commercial union between the B.W.I. and Canada, and also to arrange for confederation and certain tariff measures. These efforts must be regarded as unsuccessful, not having satisfied anyone.

Greenshields & Company
Investment Bankers
17 St. John Street
Montreal

J. Gordon Greenshields
Richard O. Johnson
Russell D. Bell

In a recent issue of the New York "Sun," the following letter appears over the signature, "Justice":— "In 1917, life insurance companies will pay about $750,000,000 to policyholders and still hold in trust for future payments about $6,000,000,000 more. The amount held is equal to or slightly greater than the deposits in savings banks throughout the United States. Life insurance companies are also furnishing capital at the rate of $50,000,000 a month for railroad and municipal bonds and real estate mortgages. The life insurance salesman who has made these things possible and will improve the above showing deserves, I believe, a little better consideration by the public.

Canada Steamship Lines, Limited

ANNUAL REPORT, 1916

BALANCE SHEET as at 31st December, 1916

ASSETS.

Fixed Assets:			
Vessels, as at 31st December, 1915			$17,628,237.32
Add Net Additions for Year, being excess of Additions to Fleet over Vessels lost and sold			1,169,682.98
			$18,797,920.30
Real Estate, Buildings, Docks and Wharves, as at 31st Dec., 1915		$5,235,491.25	
Add Net Additions for Year.		95,623.28	
			5,331,114.53
Other Fixed Assets, as at 31st December, 1915		$ 536,645.53	
Add Net Additions for Year..		73,788.89	
			610,434.42
			$24,739,469.25
Less Depreciation Reserve			1,680,811.60
Current and Working Assets:			
Cash in Banks and on Hand..		$ 612,535.45	
Notes Receivable	$426,943.72		
Less proportion payable to Trustees for Deb. Stock in Respect of Vessel sold	138,090.96		
		288,852.76	
Accounts Receivable, less Reserve for Doubtful Accounts		1,413,169.86	
Adjusted Partial Losses due by Underwriters		224,285.32	
Insurance and Other Claims—Estimated Amount Recoverable		565,677.13	
Interest Receivable Accrued..		821.92	
Inventories of Stores and Supplies		326,777.52	
			3,432,119.96
Charges Deferred to Future Operations:			
Insurance Unexpired		$ 508,111.00	
Repairs, etc., applicable to 1917 Season		127,052.37	
Reclassification Expenses of S.S. "Parima" and "Guiana" less proportion written off.		67,248.80	
Miscellaneous		4,721.53	
			707,133.70
Investments at Cost			93,738.50
Funds Deposited with Trustee for Mortgage Bonds and Debenture Stock		$1,307,387.56	
Adjusted Losses due by Underwriters Payable to Trustees.		101,598.00	
Notes Receivable payable to Trustees in respect of Vessel sold		138,090.96	
			1,547,076.52
Sinking Fund—Debenture Stock at Par and Cash held by Trustees			290,048.14
Organization Expenses, less proportion written off			172,772.30
Discount on Debenture Stock, less proportion written off			27,765.19
			$29,329,311.96
Leases, Contracts and Goodwill			8,589,646.79
			$37,918,958.75

LIABILITIES.

Capital Stock:			
125,000 Shares 7% Cumulative Preference Stock of $100.00 each			$12,500,000.00
120,000 Shares Common Stock of $100.00 each			12,000,000.00
			$24,500,000.00
Funded Debt:			
First Mortgage Bonds		$2,205,706.67	
5% Debenture Stock	$7,045,506.66		
Less Amount Deposited as Security for Loan	649,200.00		
		6,396,306.66	
Loan Secured by Debenture Stock and Investments		600,000.00	
			9,202,013.23
Current and Accrued Liabilities:			
Notes Payable		$ 421,032.41	
Accounts Payable		1,298,914.30	
Bonds and Other Interest Accrued		140,516.91	
Business Profits War Tax		404,545.58	
			2,265,009.20
Reserves:			
For Freight and Other Claims		$ 20,000.00	
For Premium on Redemption of Bonds of Richelieu & Ontario Navigation Co.		21,048.74	
Surplus arising from Sinking Fund Purchases of Debenture Stock		62,662.21	
			103,710.95
Surplus			1,848,225.27
Note: Cumulative Preference Stock Dividends in Arrear	$1,531,250.00		
			$37,918,958.75

F. S. ISARD, Comptroller.
JAMES CARRUTHERS, President.

CERTIFICATE OF AUDITORS.

We have audited the accounts of the Canada Steamship Lines, Limited, for the year ended 31st December, 1916, and have obtained all the information and explanations which we have required.

We certify that the above Balance Sheet and relative Operating and Surplus Accounts are in accordance with the books and are, in our opinion, properly drawn up so as to present a true and correct view of the state of the affairs of the Company as at 31st December, 1916, and of its operations for the year ended at that date.

MARWICK, MITCHELL, PEAT & CO.
Montreal, 23rd February, 1917.

OPERATING ACCOUNT
For the Year ended 31st December, 1916.

Operating Revenue:		
Vessels		$11,819,539.09
Docks and wharves		172,472.36
Miscellaneous		65,239.90
		$12,057,251.35
Other Revenue		64,877.26
Total Revenue		$12,122,128.61
Expenses		8,062,583.64
Net Earnings		$ 4,059,544.97
From which deduct:		
Interest on Mortgage Bonds	$125,051.30	
Interest on Debenture Stock	317,903.02	
Other Interest	15,319.73	
Special Bonus to Employees	40,140.07	
Reserve for Depreciation	805,309.76	
Reserved for Doubtful Debts and Claims	27,500.00	
Directors' Fees	15,156.62	
Reserve for Business Profits War Tax	322,046.88	
		1,668,517.38
Profit for Year		$ 2,391,027.59

SURPLUS ACCOUNT,
As at 31st December, 1916.

Balance as at 31st December, 1915			$ 20,883.59
Profit for year ended 31st December, 1916, as per Operating Account		$2,391,027.59	
Add Net Profit on Sales, etc., of Fixed Assets		179,979.79	
		$2,571,007.38	
Deduct:			
Proportion of following charged off:			
Organization Expenses	$86,387.36		
Discount on Debenture Stock	1,028.34		
	$87,415.70		
Dividends Nos. 3, 4 and 5 paid on Cumulative Preference Stock	656,250.00		
		743,665.70	
			1,827,341.68
Surplus as per Balance Sheet			$ 1,848,225.27

WAR LOAN

Issue to be made
March 12th

The most important Loan
yet made.

The largest Loan Canada
ever issued.

It is the most attractive
investment.

Our services are available
without expense to
subscriber.

C. H. Burgess & Company
Bank of Hamilton Bldg.
TORONTO - - - CANADA
Phone: Main 5938

DOMINION
WAR LOANS

The distributing organization of our Bond Department, together with our Stock Exchange membership, enables us to place at the investor's disposal unexcelled facilities for the buying and selling of Dominion Loans.

Particulars on request.

A. E. AMES & CO.
Investment Bankers
Union Bank Building, 53 King W.
Toronto, Canada
Established 1889
Montreal Office: Transportation Building.

DEALERS IN
CANADIAN GOVERNMENT
AND MUNICIPAL BONDS
Correspondence Invited.
W. A. MACKENZIE & CO.
TORONTO WINNIPEG

WE OFFER
£1,200
City of Toronto
4½% BONDS DUE 1st July, 1948
PRICE RATE TO YIELD 5⅛%
Investment Bankers
Brent, Noxon & Co.
TORONTO
Dominion Bank Building

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK
CERTIFICATES, CHEQUES AND
OTHER MONETARY DOCUMENTS.
SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES
HEAD OFFICE and WORKS
OTTAWA
Branches:
TORONTO MONTREAL WINNIPEG

NEWS OF THE BOND MARKET

THIRD WAR LOAN IS FLOATED AMID UNCERTAINTIES

Contrast in Conditions Under Which Second and Third Loans Make Their Appearance.

TERMS WILL BE LIBERAL

In Spite of Difficulties in the Way, it is Conceded the Public Will Rise to the Emergency and Make Loan a Success.

With the third domestic loan on the very eve of flotation, speculation is becoming keen as to the price, terms and consequent yield-rate of the bonds. The secret has so far been well guarded and, while it is understood that the prospectuses have already been printed, there has apparently been no leak of these vital particulars. The FINANCIAL POST is of the opinion, for various reasons, that the terms will be liberal, possibly more liberal than some bond-dealers are inclined to admit.

The situation, as compared with the conditions surrounding the flotation of the second loan last fall, is much more uncertain. While in Canada, there was then abundance of money accruing from the results of the year's activities in field and factory, at present both the farmer and the manufacturer, and through them all the other business interests of the country, are more or less committed to another season's requirements and much money will be needed to tide agriculture and industry over the summer. Again, last fall there was little talk of peace and manufacturers, who were engaged on war orders, saw no early prospect of an early cessation of the flow of orders. To-day, peace talk and the problems suggested thereby are giving thoughtful business men some concern and, in laying their plans to meet changed conditions, they are going to move cautiously.

It must also be remembered that last fall the stock exchanges were active and people were making large profits in speculation. It was easy to salt down some of these profits in war bonds. To-day the fall boom is long over and no money has been made on the bull side of the market for some time. In fact, a good deal has been lost and that section of the population which had stock exchange profits to put into the second loan, is not to be a factor this time.

Conditions in United States.

What, however, is of much greater import, conditions in the United States have changed. In September, when the second war loan was floated, the bond market in the States was in buoyant shape and, though the bonds were not payable in New York, yet thirty millions of the loan went across the line. To-day, the United States is about to do some financing on its own account and the larger financial institutions have been requested to conserve their funds for an American war loan. The general bond market is flat and will continue so until the big loan is floated. There will, in consequence, be a less enthusiastic welcome for the Canadian loan than would otherwise have been the case.

That Sir Thomas White does not figure on having as easy a triumph as in the case of loans one and two, may be deduced for one thing from his attitude towards the bond dealers. Not only has he been preparing his plans in much closer harmony with the views of the bond men than before, but he is giving a more substantial recognition to them in the way of commission. This would seemingly indicate that he is anxious to secure the strongest possible support from these interests, who are in a position to do so much towards making the loan a success. If he were more confident, it is hardly likely that these better terms would have been allowed.

Liberal Terms Likely.

For these various reasons, it would seem likely that the Finance Minister would allow most liberal terms. Payment in New York naturally infers a desire to draw as much money as possible from the United States and to get that money, under existing conditions, the loan must be made extra attractive for the American investor. What, then, would constitute an attractive bond? The general opinion is that the bonds will be issued at 96. For a 20-year, 5 per cent. bond, this would mean a yield of about 5.32 per cent. Allowing for privileges of instalment payments, with discounts, a yield of between 5.35 per cent. and 5.40 per cent. might be possible. In the opinion of the POST, this is a minimum yield, and it is not improbable that the price and terms will be adjusted to produce 5.40 per cent., or even better.

Announcement Soon.

It is generally supposed that the official announcement regarding the loan will be made towards the close of next week and that the prospectus will be published on March 12. That Sir Thomas may act more quickly than this, is the belief of several bond dealers. In any case, the announcement is very near, and within a week, the securing of subscriptions will be in full swing.

In spite of the apparent difficulties in the way of a successful flotation, preliminary business is reported to be good. Dealers state that their early canvas of the field with a view to rounding up promises of subscription is bearing good fruit and compares most favorably with preliminary results in case of the second loan. From the United States come reports that the east is interested, while the Middle West and Pacific Coast are rather indifferent. There is so much money across the line, however, that a hundred millions from that source could probably be garnered in, even in face of existing uncertainties. In a word, the campaign opens auspiciously, though under conditions that will call for much hard work, if a big success is to be achieved.

Features of the Week

There is absolutely nothing to the bond market this week but war loan. Some dribbles of other business are being put through but the attention of bond dealers is being concentrated on the impending flotation. Prices for lower-yielding goods are continuing to weaken and sales of city bonds have been made at prices well under the 5% level. If, as is anticipated the Dominion loan is issued at a 5.40% rate or better, there will be a tendency for these bonds to drop still lower, though the expectation is that the success of the loan will ensure an early return to the firmer prices ruling a few weeks ago. Higher-yielding bonds are scarce and fairly readily marketable at strong prices.

THE VICTORY LOAN.

Total of Subscriptions Far Exceeds Most Sanguine Expectations.

The number of subscribers to the big British "Victory Loan," as announced in the House of Commons on Monday by Andrew Bonar Law, Chanceller of the Exchequer was approximately 5,289,000. Applications through the Bank of England amounted to £819,586,000, and through the post office, to £30,715,000, while the amount received during the currency of application for the war loan, through war savings certificates, was £19,300,000. Mr. Bonar Law also included as new money, £130,711,950 of treasury bills converted, on the ground that they represented obligations which had to be met by the state in a short time and accordingly the freeing of the state from the obligation to pay was in effect equivalent to new money. The grand total was therefore £1,000,312, or over five billion dollars.

"In trying to realize the meaning of such a figure," said Mr. Bonar Law, "it is right not only to make comparisons with our previous loans and those of our enemies, but to consider what the financial position was when the loan was issued. Through the necessity of keeping up our exchange, the value of money in the London market has been much higher than would otherwise have been the case. The result was that up to the very eve of the issue of the loan, Exchequer bonds bearing six per cent. interest were issued and treasury bills at five and a half per cent. In consequence of this high level of money it was urged by many of those most competent to judge that the rate of the loan ought to be six per cent., and I was warned it would be a failure if the rate were less. I decided it would be the lesser evil to risk a failure than to stereotype British credit at the figure suggested."

ONTARIO WILL MAKE A BIG BOND ISSUE

Authority Asked by Provincial Treasurer to Raise Seventeen Million.

SELL SOME BONDS AT HOME

Proceeds of Loan to be Used to Purchase and Retire Sterling Debentures Held by British Investors.

That one of the big efforts of Canadian finance this year will be the assist the British Treasury by buying up those sterling bonds which were sold in such large quantities in Great Britain prior to the war, and replacing them by dollar debentures to be floated mainly in the United States, is evident from a consideration of the steps already taken to bring about this result. Last week the FINANCIAL POST published a letter which had been transmitted to Sir Thomas White, through the Colonial Office, from the Treasury Department, pointing out how desirable it was to have Canadian provinces and municipalities take up and carry through the project.

Bill Introduced.

This week the Province of Ontario is taking the preliminary steps necessary to validate the conversion programme. In his budget speech, delivered last week in the Legislature, Hon. W. T. McGarry stated that he would bring down a bill to enable the province to take over $17,000,000 of Ontario securities held in Great Britain, and this bill was duly introduced last Tuesday. The measure authorizes the Government to raise $17,000,000 by loans for the purpose of redeeming all Ontario Government bonds held in England. It practically confers blanket powers. The Government is given the right to borrow for any term not exceeding 20 years and at a rate, determined by the conditions of the money market, to be fixed by Order-in-Council.

Presumably the bulk of the money required for the purpose will be raised in the United States, though Mr. McGarry suggested that a loan might be put out in Ontario.

Ontario Loans.

There have been three Ontario provincial loans in England. The first, consisting of £1,200,000, 3½ per cent. registered stock, was issued in March, 1906, through the Bank of Montreal, at 98½. The principal is repayable Jan. 1, 1946. A sinking fund of ½ per cent. per annum has been provided and up to Sept. 1, 1914, stock for £56,427 had been purchased for the sinking fund, reducing the amount outstanding to £1,143,573. The latest quoted price on these securities was 68½.

The second loan consisted of £1,640,548, four per cent. registered stock, repayable January 1, 1947. £820,000 was issued in April, 1909, at 102; £500,000 in June, 1911, at 101, and £320,548 was sold privately. The latest price on these securities was 78.

The third loan consisted of £1,000,000, 4½ per cent. registered stock, repayable January 1, 1965, at par, or at the option of the Government, in whole or in part, on or after January 1, 1945, on three months' notice. The whole amount of the loan was allotted in July, 1914, at par, but in November, 1914, holders, who, under the moratorium, deferred payments in full of the instalments, were offered the option of withholding further instalments and of receiving, in respect of £30 paid, stock for £26; and in respect of £65 paid, stock for £63. Latest price was 85½.

NEW TAXES LIKELY.

British Columbia Will Try New Means of Raising Revenue.

Several new forms of taxation will likely be introduced by the British Columbia Government at the next session of the Legislature. The principle of taxing luxuries will be introduced and a special tax on automobiles imposed.

There will be a concerted effort to gather in all the moneys owing to the province under the various forms of taxation hitherto in vogue. The income or personal property tax, arrears of which run up into a large sum, probably $300,000 or more, has been treated more or less as a joke by many, who consign to the waste-paper basket the notices that the tax is due. These notices are now going out, and they contain notification of arrears, while the existing taxation act gives the Government power to collect arrears by distraint. Such a proceeding in these stressful times would certainly not prove popular and might not prove efficacious. It is stated that additional legislation whereby the Government will make the delinquents pay up will be submitted at the forthcoming session.

With the re-establishment of the $3 poll tax, abandoned some years ago, a tax which will reach alien residents of the province, especially the Oriental, and which may be increased where such aliens are concerned, and likely increases in other taxes, including a heavier percentage on larger incomes than now is collected, the Government hopes materially to reduce the gap between receipts and expenditures.

GUELPH UNDECIDED.

Movement to Meet Patriotic Grant by Issue of Debentures.

Whether to finance patriotic grants amounting to about $40,000 by increasing the taxation or by the issue of debentures is a problem that is at present causing debate in Guelph. An agitation, it appears, has been started to encourage the City Council to adopt the second plan, but there will be opposition. Mayor Newstead says emphatically: "I am strongly opposed to the issuing of any more debentures than is absolutely necessary. We should raise this money for patriotic purposes by direct taxation, the same as was done last year, and I would not think of giving my consent to the issuing of debentures without putting the matter to a vote of the people. Let us pay our war obligations as we go and the people will think more of us, and the soldier when he comes back will not be burdened with taxation."

R.C.Matthews&Co.
Government and Municipal Bonds
C.P.R. BUILDING
TORONTO

THIRD
DOMESTIC
WAR LOAN

Conditions are now such that the New Loan will probably mark the culminating opportunity in Canadian Government loans. We solicit your subscription.

R. A. Daly & Co.
Bank of Nova Scotia Bldg.
Toronto

TENDERS WANTED.

Cochrane, Ontario

$40,000 Guaranteed Debentures

SEALED tenders will be received up to and including the 20th day of March, 1917, for an issue of $40,000 Town of Cochrane debentures. Particulars of the issue are as follows:

Amount of issue, $40,000, bearing interest at the rate of 5% per annum, with coupons attached for the payment of the interest; interest and principal repayable in equal annual payments over a period of 30 years. Debentures guaranteed by the Province of Ontario; purpose of issue, to make good fire losses, viz., sidewalks, waterworks plant, etc.

The highest or any tender not necessarily accepted. All tenders to be marked and addressed to the undersigned.

H. J. BROWN,
Town Treasurer.
Cochrane, Ont., Feb. 20, 1917.

PROVINCE OF QUEBEC MUNICIPAL BONDS

Yielding 5½% to 6

Correspondence Solicited

RENE-T. LECLERC
INVESTMENT BANKER
160 St. James Street Montreal
Telephones: Main 1260 and 1261

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P.O. Box 856. Cables—"Nahac, Montreal."
Tel. M. 1250, 1251. Codes—Liebers—West. Union.

C. H. CAHAN, K. C.
BARRISTER AND SOLICITOR.
Transportation Building, St. James St., MONTREAL.

TORONTO

BLAKE, LASH, ANGLIN & CASSELS
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building, Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

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TORONTO
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CONSULTING ENGINEERS

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W. J. Francis & Co. - 232 St. James St.

Chartered Trust and Executor Company

accepts funds for investment in selected first mortgages and gives its own Guarantee of repayment of principal and interest. This guarantee provides all the essentials of a high-class investment—good interest return, absolute promptness of payment and security of principal.

Chartered Trust and Executor Company
61 Yonge St. TORONTO

ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World.

We Present a Record—Not a Prospectus.

Reputation gained by years of vigorous, conscientious and successful work.

Thomas C. Irving
General Manager Western Canada
TORONTO

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are deliquent.

Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
Dominion Bank Bldg. Toronto, Can.

Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

Ten Per Cent Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Monday, the Second Day of April

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board.

GEO. H. SMITH,
Secretary.
Toronto, February 28, 1917.

FIELD OF MUNICIPAL FINANCE

BUREAU OF MUNICIPAL AFFAIRS FOR ONTARIO

Forward Step Being Taken by the Province in Systematizing Work.

PLAN ONLY A BEGINNING

Hydro-Electric Systems Are Exempted from the Supervision of the Bureau, but Affairs of Other Utilities Are Included.

The bill, which will empower the Government of Ontario to establish a Bureau of Municipal Affairs in the province, has been introduced in the Legislature and will doubtless be enacted in due course. The measure is by no means as radical in character as might be supposed, having in mind the authorities vested in their departments of municipal affairs by the Western Provinces, but that the establishment of such a bureau is a step in the right direction is generally admitted. By degrees its powers may be extended until it will become a real force for good in municipal administration.

The principal development appears to be in connection with the superintendency of the system of bookkeeping and keeping accounts of the assets, liabilities, revenue and expenditure of all public utilities (with the expressed exception of electric developing and distributing systems), which are operated by or under the control of municipal corporations or a municipal commission. Powers are conferred to enable the bureau to secure returns and statements from these utilities.

Not Much Change.

Apart from this there is little change from the old system by which the Bureau of Industries was empowered to secure return from municipal officers, except that of the Bureau of Municipal Affairs may issue bulletins dealing with the administration of each branch of municipal affairs in order to secure uniformity, efficiency and economy. Apparently the bureau has no power to enforce its recommendations in this direction, but doubtless this power will be accorded later on.

A valuable development is in connection with the investigation of the laws in force in other provinces and countries. The bureau is required to study these and make such recommendation and suggestions as may be deemed advisable. It will further consider and report upon any petition for, or suggestion of, a change in the laws of Ontario relating to the power and duties of municipal corporations.

The systematization of municipal accounting and the securing of prompt and accurate reports on the finances of municipalities are desirable developments and these may result from the enactment of the present measure, though the fact that the bureau has apparently no power of compulsion, will be detrimental. If to this could be added a close supervision of all borrowing, which would safeguard the investing public against misrepresentation and other deficiencies, it would be a good thing for the province.

MAYOR OBJECTS.

Saskatoon's Chief Magistrate Opposed to Deal in Bonds.

Last week the POST referred to the recommendation of the Finance Committee of the Saskatoon City Council to sell out the city's holdings of Dominion war loan bonds and invest the proceeds in Anglo-French bonds. The proposal was approved at a special meeting of Council, but Mayor Young is opposed to the scheme, denouncing it as virtually a gamble. He is reported to have said after the meeting, "I am through gambling with the city's money. I do not want to be a member of a City Council which is going to play the market with the city's money."

The special meeting was called as the result of an offer received, and endorsed by the Finance Committee, to buy up the city's Canadian war loan bonds, purchased at 97½, costing the city $46,312.25, and replace them with Anglo-French bonds, at 5 per cent. at 92.11, plus brokerage of one-eighth of one per cent.

In making the foregoing announcement, Mayor Young stated that he had objected last fall to this investment of capital moneys in bonds and was in favor of buying these securities with sinking fund moneys.

A BIG PROFIT.

Montreal Figures on Making Big Gain by Converting Its Bonds.

The city of Montreal expects to make nearly $4,000,000 profit on its conversion plan. City Treasurer Arnoldi hears that holders in England of $30,000,000 of civic debentures are willing to sell out. The city has already made arrangements through J. P. Morgan & Co., to redeem $10,000,000 worth of these debentures. The transaction, it is estimated, will net the city about $1,300,000, and it is out of this money that the corporation plans to pay its grant to the Patriotic and Red Cross funds.

The Essex Border Utilities Commission have decided to ask the Provincial Legislature for an amendment to the Act, by which the commission was created, which will enable the commission itself to control the sale of all its debentures.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

March 20, Cochrane.—$40,000, 5 per cent., 30-instalment bonds of the town of Cochrane, guaranteed by the Province of Ontario, and issued to make good fire losses. H. J. Brown, Town Treasurer, Cochrane. (See advertisement page 12.)

BY-LAWS PASSED OR DEFEATED.

Wentworth County.—$72,000 for patriotic purposes. Bonds will be issued in denominations of $100 and upward; will bear interest at 5 per cent., will be repayable in 20 instalments, and will be offered to residents of the county at par.

Caledon Township.—$5,000 to provide for the cost of works, plant, machinery and appliances in the police village of Alton, to distribute electric power. Passed by council, February 13.

Cannington.—$3,000 to pay off the floating indebtedness of the village. Passed by council, February 12.

APPLICATIONS TO LEGISLATURES.

Moncton.—The city will make application for authority to issue $163,000 bonds for the following purposes:—(1) $3,000 to pay for land; (2) $90,000 for permanent pavement; (3) $40,000 to pay overdraft at bank on account of retiring debentures in 1916 and previous years and bonds maturing in 1917; (4) $30,000 extension of the water services.

Midland.—The town asks for an Act to confirm and validate a by-law granting a $25,000 bonus to the Midland Dry Dock Co., Limited.

DEBENTURE NOTES.

Moncton.—The city will sell $65,000 five per cent. twenty-year debentures now held in the sinking fund at 99 and accrued interest and place the proceeds at the credit of the sinking fund.

New Westminster.—Mayor Gray favors having the city secure authority from the legislature to change unsold debentures to serials, before attempting to market them. The city will have to arrange to retire three-year treasury certificates next year and will probably make a sale of bonds this year to raise the necessary funds.

SASKATCHEWAN.

The following is a list of debenture applications granted by the Local Government Board from Feb. 12 to Feb. 23.

School Districts.—Fertile, $3,000; Palmersville, $1.500; Buccleugh, $1,200; Big Stick, $1,700; Tompkins, $5,500; Lunnville, $1,500; Borden, $5,000.

Rural Telephone Companies.—Snipe Lake, $11,000; Smiley Western, $2,500.

Village.—Hughton, $3,000.

The following is a list of debentures sold:—

School Districts.—Wolf Willow, $1,500; Shamrock, $1,000; Gondney, $1,200; Maltby, $2,000; Rockhaven, $800.

Rural Telephone Companies. — South Churchbridge, $2,700; Warren, $2,900; McLaren, $13,000; Elkhead, $7,200; Chamberlain, $2,600.

Rural Municipality.—The Gap, $5,000 to McKinnon & Co.

Town.—Sutherland, $25,725 to W. L. Slayton & Co., Toledo.

BOND SALES.

$150 Asbestos at 90½ to 76; $800 Canada Cement at 97¾ to 97½; $600 Cedar Rapids at 90; $5,000 Dominion Coal at 94½; $2,000 Dominion Cotton at 99; $8,000 Montreal Power at 93; $9,600 Montreal Trams. debs. at 75; $2,000 N.S. Steel at 87; $8,000 Rio Janeiro at 83½; $600 Steel of Canada at 97½; $174,000 War Loan at 97¾ to 97; $212,400 New War Loan at 96¾ to 96.

LONDON ADOPTS A NEW SYSTEM OF TAXATION

Discards Present System of Discounts for Interesting New Plan.

ADVANCES TIME ONE MONTH

City Expects to Make a Saving of Over $21,000 by Adopting the New Plan, Which Applies Only to the General Rates.

An interesting and apparently novel scheme of tax collection will be tried out by the city of London, Ont., this year. The plan has been approved by the City Council. Its main feature concerns the discount. By placing an extra mill on the tax rate and remitting it for prompt payment, the necessity of providing in the estimates for a sum out of the general rate for payment of discount is avoided. The scheme, clause by clause, as adopted is as follows:—

"That an amount equal to one mill of taxes assessable for general rates be added to the tax roll to be used instead of the present system of discounts of three and five cents on the dollar. A discount of one mill on assessment for the general tax rate will be made, on prompt payment of taxes as demanded. The present practice of making an additional percentage charge of five cents on each dollar unpaid by the days appointed for such payment respectively, will also be discontinued.

Backs Up One Month.

"That the first instalment, consisting of the school tax, be payable on or before July 2, 1917.

"That the second instalment, consisting of one half of the general and city taxes, local improvement taxes and war and patriotic taxes, be payable on or before August 31, 1917.

"That the third instalment, consisting of the remaining half of the general and city taxes, local improvement taxes and war and patriotic taxes, be payable on or before October 1, 1917.

"That the ratepayers who desire to avail themselves of the principle of divisional payment, on payment of their taxes shall be entitled to one-third of one mill for each instalment.

Reduction of a Mill.

"That ratepayers who prefer not to avail themselves of the principle of the divisional payments, but prefer paying their taxes in bulk, on or before the 30th day of June, shall upon such payment in bulk be entitled to a reduction of one mill on assessment for general rate.

"That ratepayers who, for some reason, fail to pay the second instalment on the day appointed, but who pay the second and third instalments on or before the 20th day of September, shall be entitled to a discount of two-thirds of one mill on assessment for general rate.

The Saving.

"The result of this legislation will be approximately a saving as follows:

(a)	Amount of discount allowed in 1916 equals $23,260.15, less interest $6,000.00	$17,260.00
(b)	One mill being amount unpaid after the 31st of October, say 10 p.c..	4,000.00
	Total	$21,260.00

"This arrangement provides that there shall be no discount on war tax, nor local improvement taxes."

The Steele Block, which when erected in 1903, was regarded as one of the best office buildings in Winnipeg, was sold last week by auction to W. G. Yule, for $185,000. Three hundred and fifty thousand dollars was offered for the block in 1914. It has now been sold under mortgage foreclosure proceedings instituted by the Law Union and Rock Insurance Co., the Northern Crown Bank being holders of a second mortgage.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date.	Place, Purpose and Purchaser.	Rate.	Term.	Amount.	Price.
Feb. 16—	Saskatchewan, Schools, various	7%	10-ins	$ 5,700	......
Feb. 16—	South Churchbridge, R.T. Co. McKinnon	7%	15-ins.	2,700	......
Feb. 23—	Rockhaven, S.D., Sask., Kerr.	7%	10-ins.	1,800	......
Feb. 23—	The Gap, R.M., Sask., McKinnon		......	5,000	......
Feb. 23—	Sutherland, Sask., Slayton		......	35,725	......
Feb. 23—	Sask. Rural Phone Companies, various..	7%	15-ins.	25,700	......
	Total			$76,625	

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WATERLOO ONTARIO
ASSURANCES $109,645,581 ASSETS $29,361,963 SURPLUS $4,595,151

British Colonial Fire Insurance Co.
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AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
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SURPLUS TO POLICYHOLDERS, $1,820,752.82

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Prosperous and Progressive

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Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
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INVESTORS' INSURANCE NOTES

SECURITY LIFE MAKES STEADY FORWARD MOVE

Fourteen Per Cent. Increase in Business in Force Reported.

ECONOMIES BEEN PRACTISED

Surplus Assets Over Liabilities Have Been Considerably Increased During the Year and Capital Enlarged

For a young company, the Security Life Insurance Company of Canada, made a good showing during the year just passed. The two items, which illustrate the growth of business, viz., new insurance issued and total insurance in force, both exhibited satisfactory expansion. The company has now on its books insurance totalling $1,388,800, while during the year it issued new policies to a value of $489,800. In the former case, the gain amounted to $170,900, which represents approximately 35 per cent. of the new business written and constitutes a very fair average growth. The percentage of increase in business in force was 14 per cent., also a satisfactory rate of increase.

The gross receipts for the year were $144,431, but of this sum it should be noted that $41,195 represented payments on capital account. During 1916 the directors decided to make an additional call of $10 per share upon the subscribed shares of the company, bringing the amount called on capital account to $30 per share. Before the end of the year $21,489 had been paid in cash on account of this call. Premium receipts amounted to $30,066, and interest payments to $4,624.

Low Death Losses.

The company got off very cheaply with death claims, being only called upon to disburse $2,850 on this account, while claims occurring amounted only to $2,100, this being less than 25 per cent. of the expected. Surrendered policies accounted for $834, bringing total payments to policyholders (the Security Life issuing only non-participating policies), to $3,684. All other expenses, including $4,528 paid under re-insurance contract (outstanding Dec. 31, 1915), aggregated $45,651, actual expenses being $41,122. This figure, therefore, exceeds the company's receipts from premiums and interest, by $6,431. Another year of progress similar to that of 1916 should enable the company to break even or do even better than that, as the report shows marked economies in the expenses of management.

Payments on capital were sufficient to wipe out the small deficit, referred to above, clear off the $4,528 owing on the re-insurance contract, and leave about $27,000 for investment. The company's investments are practically limited to bonds and debentures, of which holdings are valued at $90,406. The average rate of interest earned on these investments was 5¾ per cent., which indicates a careful selection of securities.

Surplus is Growing.

The company, as doing a non-participating business, shows no undisturbed profits in its statement of liabilities. The present reserve value of all policies in force stands at $60,045. Allowing for a few small outstanding liabilities, the surplus assets amount to the substantial sum of $51,428. This compares with a surplus of $16,755 at the end of 1915. As the paid-up capital is now $123,568, there is as yet no net surplus over capital and all liabilities to be shown, but this will doubtless appear in time.

Sir Henry Pellatt is now president of the Security Life, with J. O. McCarthy, the former president, as vice-president and general manager. Mark Workman, president of the Dominion Steel Corporation, has been elected a director. Steps are to be taken to enable the company to increase the number of shareholder directors to fifteen, and it is stated that, when this power is secured, efforts will be made to get a number of prominent men on the board, whose presence there will be a source of strength.

The Company Specializes.

The Security Life, as already mentioned, specializes in non-participating insurance. This policy was adopted by Mr. McCarthy in organizing the company, as a result of his observations, when in the service of other companies, that there was an increasing demand for this kind of insurance. The contract is plain and definite, without any uncertainties or chances of misunderstandings. In addition to these, all guaranteed policies, the Security Life is specializing in Young People's Savings Bonds, from $100 up, the annual premium on which is $5 a year.

SUN LIFE.

Annual Meeting Will be Held on Tuesday of Next Week.

According to its constitution and by-laws, the annual meeting of the Sun Life Assurance Company, of Canada, takes place on the first Tuesday of March, which this year falls on the 6th. That the report to be presented to the meeting will show record-breaking business for 1916, is evident from the preliminary figures already made public. Insurances in force are now reported to be $280,000,000 and policies issued and paid for during the year were over $42,500,000, the largest amount ever issued by a Canadian company. Assets were increased by over $8,600,000 to $82,950,000, and net surplus over all liabilities and capital now stands at $8,500,000. Payments to policyholders aggregated $7,578,017. Cash income for the year was $18,500,000, an increase of $2,500,000 over 1915. THE FINANCIAL POST will next week deal more fully with the Sun Life's report.

BRITISH AMERICA.

Company Had to Meet Some Heavy Fire Losses Last Year.

In his address at the annual meeting of the British America Assurance Company, W. R. Brock, the president, referred in some detail to the exceptional losses of the past year. The British America was unfortunate in having to meet losses sustained in three of the five big conflagrations of the year, viz., at Paris, Texas; Augusta, Ga., and Jersey City, N.J. As a result, fire losses, including hail losses totalled $2,185,564, as against $1,834,118 in 1915. Net earnings were down to $20,551, as against $270,412 in 1915, while after dividends had been paid and accounts written off, there was a deficit of $668 to be taken from the previous balance at profit and loss. But, as Mr. Brock stated, it was on the whole a year that neither improved nor decreased the company's financial status.

Total assets amounted to $2,752,845, which, after deducting outstanding liabilities and the liability of unearned premiums on unexpired risks, left a surplus to policyholders of $1,133,815. Edward Hay, general manager of the Imperial Bank, and E. A. Robert, president of the Montreal Tramways and Power Co., were added to the Board of Directors.

B. C. LIFE.

Progress Was Made During 1916 by This Vancouver Company.

At the annual meeting of the B. C. Life Assurance Company, great satisfaction was expressed with the figures which the directors were enabled to present to the shareholders. In spite of the continued depressing financial conditions, the company has made some progress. Income from renewal premiums amounting to $75,282 was about $3,500 in excess of the figure for the previous year, and first year's premium collections were $13,136. Expenses for the year were $45,157, or a reduction of $21,000 over 1915. The company had paid out during the year $31,056, which included death claims of $12,342, the greater portion of which was due to war causes. The death loss was only 52 per cent. of the expected. The company now holds bonds and debentures to the extent of $82,483, part of which was invested in Government war loan bonds.

GOOD PROGRESS BY THE WESTERN ASSURANCE CO.

Profits During 1916 Were the Best in the History of Company.

VALUE OF COMMON SHARES

Impairment Being Steadily Reduced and Book Values of These Shares is Now Figured at Over $70.

Slowly but surely the Western Assurance Company is rehabilitating itself after the disastrous experiences of a decade ago, and it is one of the most creditable achievements of Canadian finance that this old Canadian company should be thus successfully strengthening its position. During the past year it is gratifying to learn that substantial progress has been made. Profits for the year, including interest, amounted to $573,410, which is the largest figure shown by the company in any one year, comparing with $462,222 in 1915 and $82,695 in 1914.

Out of profits there were paid three dividends of 3½ per cent. each on the preferred stock, arrears of which now stand at $70,000; $2,207 to cover bad debts, etc.; $13,209 for decrease in market value of securities and $30,000, which was added to the special reserves provided for income taxes and possible debts due to the war. This left $422,993 to be added to the balance, which thereby was increased to $1,431,962.

Assets have been increased during the year from $4,431,305 to $5,956,592. Not only did the company hold considerably more cash on hand, but the value of stocks and bonds was increased from $2,348,722 to $2,529,627. Outstanding liabilities, including $834,399 losses under adjustment; $239,248 premiums due other companies, and $982 sundry liabilities; total, $1,124,629. Add to this the liability for unearned premiums on unexpired risks of $1,508,314 and deduct both from the assets and there is a surplus on policyholders' account of $2,423,648. Or, adopting the Government standard of computing the liability for unearned premiums, and the surplus stands at $1,920,876.

Four years ago, the FINANCIAL POST estimated that the common stock of the Western Assurance Co., had a book value of between 30 and 40 per cent. of par. To arrive at its present book value, based on the government standard of calculating liability for unearned premium, take this sum, viz. $2,011,085, add to it the original 25 per cent. premium on preferred stock, which is to be repaid, and $70,000 deferred dividends on the same stock, and deduct the balance of $1,431,962 at the credit of profit and loss. There is left the sum of $899,123, which is to be deducted from the par value of the common stock, leaving as its value $600,000 or 40 cents on the $1.00. In this connection, it may be of interest to note that the stock sold this week at $7.50. As the par value of the shares is $20, this is equivalent to 37½ cents on the $1.00.

Using the company's standard of figuring liability for unearned premiums on unexpired risks, the book value per share of the common stock works out at over 70 cents on the $1.00, while for the Dominion Government's purposes this year, the book value of the common stock is to be considered as 71 cents on the $1.00.

At the recent annual meeting, the Managing Director stated that if the company had say two more years as successful as the past, the company would there be in a position to consider resumption of dividends on the common stock.

PROGRESS OF WESTERN ASSURANCE COMPANY.

	1913	1914	1915	1916
Fire Premiums	$2,202,367	$2,116,085	$2.063,102	$2.338,452
Marine Premiums	894,998	1,057,990	1,797,286	2,583,725
Interest and Rents, etc..	88,487	114,552	95,252	118,942
	$3,185,852	$3,288,627	$3,955,640	$5,041.119
Fire losses, etc.	2,043,124	2,258,858	1,977,736	2,189,905
	$1.142,728	$1,029,769	$1,977,904	$2,851,214
Marine losses, etc.	904,363	947,074	1,515,682	2,277,803
Profits	$ 238,365	$ 82,695	$ 462,222	$ 573,411
Dividends on pfd.	70,000	35,000	105,000	105,000
	$ 168,365	$ 47,695	$ 357,222	$ 468,411
Accounts written off, etc.	5,256	2,208	56,337	45,417
	$ 163,109	$ 45,487	$ 300,885	$ 422,993
Balance forward	499,439	662,597	708,085	1,008,969
Balance	$ 662,598	$ 708,085	$1,008,960	$1,431,962

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - $ 4,000,000.00
Losses paid since organization over - - $63,000,000.00
W. R. BROCK, President. W. B. MEIKLE, Vice-President and General Manager. C. C. FOSTER, Secretary.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

Unless

The Great-West Life Assurance Company were providing particularly attractive policies, it would not—for ten successive years—have led all Canadian Companies in the amount of business written in Canada.

UNLESS the funds were invested at an exceptionally favorable rate, it would be impossible to pay the unequalled profits that are being paid to Policyholders.

UNLESS strict economy prevailed, the advantage of these high earnings would be lost.

These, and many other points of vital interest to those looking for the best obtainable in Life Insurance, are referred to in the 24th Annual Report of—

The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg
ASK FOR A COPY

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
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Assets, Over - - - $ 2,500,000.00
Losses Paid Since Organization Over - - $39,000,000.00

The UNION BANK OF AUSTRALIA, Ltd.
Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED ....[illegible]
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together ....[illegible]
Reserve Liability of Proprietors.......[illegible]
Total Capital and Reserve ....[illegible]
Head Office: 71, CORNHILL, LONDON, E.C.
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The Rt. Hon. the Earl of Chichester.
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Hugh D. Flower, Esq.
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Assistant Manager—WILLIAM J. ESSAME.
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Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986
Head Office
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REAL ESTATE AND MORTGAGES

SOME ACTIVITY ON OUTSKIRTS OF TORONTO

Houses for Sale or to Rent in Certain Districts Scarce.

RENTS ARE ADVANCING

Cost of Building Has Increased Very Much, Which Will Tend to Keep Down Supply of New Houses.

In all the outlying residential districts of Toronto, where natural expansion is to be expected, activity in the real estate business is anticipated this spring. Some inquiry has lately been made regarding developments in the Oakwood and Earlscourt districts, new sections adjoining St. Clair avenue, to the northwest of the city, and served by the St. Clair civic car line. Here building does not appear to have nearly kept pace with the demand, with the result that there are practically no vacant houses in either district and none to rent. In some cases, families have moved into houses before their construction had been completed.

Building More Costly.

A builder, who has erected over 100 houses in the Oakwood and High Park districts during the past ten years, says of the situation: "There is a good demand for houses in the district, and people are willing to pay a fair price. Houses are scarce, but material is still scarcer, and it is difficult to tell what will happen with the cost of raw material soaring. I have built ten houses during the past year, and have sold the eight so far, finished very quickly. They are all of a good type, with side drive and all improvements, the sort of house that people have been wanting. I am now finishing two of the same type, and expect they will not long remain unsold once the interiors are finished. It costs double the pre-war price to wire a house for electricity, and in the past year there has been an advance of fully 25 per cent. in materials of all kinds. Brick is up two dollars a thousand and lumber ten dollars a thousand feet. It costs $100 more to install steam-heating apparatus, and plumbing is away up. I couldn't begin to start and build houses like these two I am finishing now for the same money, and I look for a general advance to take place in prices in the district. Demand is good, and it is probable that even at the higher prices it is going to cost to build houses the supply will not nearly equal the demand."

Another builder in the Oakwood section says he can't get houses finished fast enough to meet the demand. He adds: "I have built and sold between fifteen and twenty houses the past year and over thirty since the war began, and from present indications the present season will be a big one. Although it is a month or more removed from the usual opening of the real estate season I have had about a dozen people this week looking through my unfinished houses, and feel confident that there will be a big business here once the spring fairly opens. The district is a good one for middle class people who want a little comfort. The houses being built generally have a side drive."

Rents Going Up.

A real estate operator in the Earlscourt district predicts a revival this year in business in this section. "The smaller workingmen's homes have been comparatively quiet for the past two years," he states, "but now there seems to be a big movement under way. Mechanics now have more funds and can afford to buy better houses than at the outbreak of war. There are practically no houses to rent, and this forces the man who wants a nice, tidy little home to become a buyer.

"Rents are up from 15 to 20 per cent. over a year ago, and are going up still higher. So keen is the demand for houses that when eight of our tenants vacated because we advanced their rent, we had the entire eight houses rented at the higher rate to new tenants with less than a week's aggregate loss on the whole eight houses.

"We have received several inquiries for new houses lately. Few new houses have gone up in the district since war broke out, while the population has been increasing until there is now a scarcity of good class houses. The higher rents will encourage builders, and there is bound to be a good deal of activity in real estate this spring."

VALUES IN NEW YORK.

Andrew Carnegie Pays Huge Figure for Residential Property.

Andrew Carnegie has paid close to $2,000,000 for the south corner of Fifth avenue and Ninetieth street, the largest unimproved property on upper Fifth avenue, that builders might not get it and erect there a tall apartment house facing his $2,500,000 dwelling. Mr. Carnegie paid this big price to Commodore Charles A. Gould, president of the Gould Coupler Company, who had owned the property for many years, having started purchasing it in 1895, two years before Mr. Carnegie located there, as a site for a fine dwelling. The property is 100.8 feet wide on Fifth avenue and extends back 255 feet on Ninetieth street toward Madison avenue.

BRANTFORD GROWING.

Assessment is Increased on Account of New Factories.

In Brantford this year there is taxable property of $17,178,750, which is an increase of $280,972 over 1916, when the taxable property was valued at $16,897,778. The increase this year is attributed partly to an increased value on private residences and to a number of new factories, including the Waddell Preserving Company, the Dominion Steel Products Company, the Hampel Box Company, the Brantford Roofing Company and the Steel Company of Canada.

City Assessor A. G. Ludlow reports a serious shortage of vacant houses in the city. The high price of building material is blamed for the lack of new houses, and he suggests that the city follow the example of other municipalities, and offer an exemption from taxation for a few years on all newly erected houses.

MONTREAL DEALS.

Some of the More Important Sales of the Past Week.

One of the biggest real estate deals put through in some time in Montreal, was completed last Friday when the Montreal Trust Company bought lot 108, Centre Ward, including the New York Life Building, 11 Place d'Armes. The building is of stone construction, nine stories high. The Trust company will move into the ground floor shortly, but beyond that no changes will be made in the occupancy.

C. E. Deakin, Ltd. (in liquidation), sold to the International Harvester Co., of Canada, Ltd., lots 10-149 to 150a, 151, 151a, 152, 152a, 153, part 10-154, Laurier ward, with buildings fronting on Maguire street, for $27,500.

Alexandre Desmarteau sold to Louis Marchand, lots 12-8-19 Cote St. Louis, measuring 50 by 110 feet, with an apartment house and other buildings, 2158 Park avenue, Laurier ward, for $51,300.

FARMS CHANGING HANDS.

A Good Many Farms in Ontario Have Been Sold Recently.

There has been considerable activity of late in farm lands in Ontario. One of the most important deals was that by which the Coulson farm on the York-Scarboro town line was disposed of by auction last Saturday. The place contains 135 acres and it was sold for $13,700 to Patterson Bros., who own the next farm to the north.

R. A. Bonnar, K.C., Winnipeg, has purchased from Charles Jackson, Hammerstown, the old Bonnar farm of 100 acres, bringing that property back after a lapse of years into the hands of its former owners.

Mrs. Jonathan McCombs, Kelvin, has sold her farm east of the village to Hiram J. Andrews.

Miss Johnston, of Britannia, has purchased the Redmond farm, Centre road, Toronto township; price $6,700.

John W. Helwig has bought the 200-acre farm of the late Joseph Ford for $12,000. Mr. Helwig now owns 400 acres near Carlsruhe.

Fred Eckart has bought the 50-acre farm of Michael O'Loughlin, the price paid being $4,000. Land keeps a good price in the township of McKillop.

Fred Denyes has sold his farm in the 7th con. of Thurlow, to Lorne Brough, of Huntingdon township.

The homestead of the late George Stokes, Claremont, has been purchased by the Lynn Brothers.

J. H. Seeley has purchased the farm belonging to T. Wilton, Hatherton. Mr. Wilton has bought a farm near Singhampton.

Conrad Voelzing has sold his 200 acre farm on 2nd con. Brant, to Simon Walter of Mildmay. The price paid was $13,500. Mr. Voelzing bought the property nineteen years ago for about eight thousand dollars.

Thomas W. Haines and nephew Heman Haines, Sutton, have purchased lot 10, con. 6, Georgina, from Hugh George and Oliver A. Langley. Price, $8,500.

J. Kimball has sold his farm of 100 acres on the second con. of Warwick township to Richard Ellecker.

THEATRES FOR MONTREAL

Two New Buildings to be Erected in This Connection.

Permits have been issued for two new theatres for Montreal. One is to be a vaudeville theatre, on the corner of Mansfield and St. Catherine streets, to be built for Loew's, Montreal Theatres, Ltd., and the other a motion picture house to be built for the Holman Theatres, Ltd., at the corner of Aylmer and St. Catherine streets.

The first will cost between $800,000 and $900,000, and will be ready in September; the picture house will cost approximately $40,000 and the owners expect to have it ready by Easter Sunday. The proposed new Loew Theatre will be constructed entirely of brick. There will be but one balcony and the house will seat about three thousand people.

The seating capacity of the Holman Theatre will be twelve hundred. An orchestral phone will be installed at a cost of $12,000.

Other Montreal permits issued recently are for an addition to the Nurses' Home of the Royal Victoria Hospital, Pine Avenue, five stories in height, to cost $64,000; and by Dupuis Freres, Limited, for the erection of a building on St. Catherine East and St. Andre, to cost $7,000.

IRRIGATED LAND SALES

Present Buying of Farms in Lethbridge District on Large Scale.

Large sales of irrigated land in the Lethbridge district have been made quietly in the past few months, according to president Marnoch, of the Lethbridge Board of Trade, who gave as his authority P. L. Naismith, manager of the C.P.R. department of natural resources.

Most of the new settlers are experienced and successful irrigation farmers from California and the Twin Falls, Idaho district. They are coming to Western Canada with capital and equipped to make their new ventures successful. Some few of them are taking ready-made farms at Coaldale where there are many acres of alfalfa at present producing.

There is also a large movement of dry land farms in the south. The C.P.R. has sold a great deal, while other land concerns are bringing in a number of farmers. Altogether, the land movement in the Lethbridge district promises to be the largest in five years.

REFUSED FIXED ASSESSMENT.

Private Bills Committee Throws Out a Hamilton Bill.

A private bill, giving a fixed assessment of $225,000 to the new Royal Connaught Hotel in Hamilton, was thrown out on Wednesday by the Private Bills Committee of the Ontario Legislature, though it had the approval of the Hamilton City Council. The defeat of the bill has more than a local significance, since the Private Bills Committee has established a course of conduct that will stand as a bar to any attempt to get a fixed assessment for new hotels in other places. The committee showed a disinclination to make any concessions except subject to later approval by the ratepayers. As the matter stands, the only relief that the Hamilton City Council can give the hotel company will be under the Martyn bill of last session, which allows whole or partial remission of taxes, except school taxes, water rates, local improvement taxes, etc., to any standard hotel. That relief, of course, can only be given from year to year.

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RECOVERY IN STANDARD BANK EARNINGS

Profits of 18.9 Per Cent. on Average Paid-up Capital.

THE LIQUID POSITION

Improvement of 1915 in Proportion of Immediately Available Assets Was Well Maintained—Enlarged Deposits and Loans.

The annual report of the Standard Bank for 1916 reveals that during the year there was an improvement in earnings by which much of the decline noted in 1915 was recovered. The total of $580,330, after making provision for bad and doubtful debts, rebate of interest on unmatured bills and exchange, cost of management, etc., compared with $563,401 in the previous year, and $621,462 in 1914. The amount available for distribution was increased by $333,242, being premiums on new stock issued during the year. This, however, was transferred to the reserve. Payment of dividend and provision for pensions, taxes and patriotic subscriptions, still left a substantial balance, the amount carried forward being $153,594, compared with a balance of $61,647 brought forward from the previous year. Following are comparative figures:—

	1915	1916
Balance forward	$ 53,141	$ 61,647
Net Profits	563,401	580,230
Premium on Stock	......	333,242
	$616,542	$975,119
Dividends	$390,000	$398,899
Officers' Pensions	15,000	20,000
Reserve	......	333,242
For Depreciation	100,000	30,484
Tax on Circulation	28,995	......
Patriotic	20,900	38,900
Balance	61,647	153,594
	$616,542	$975,119

While the earnings were 17.59 per cent. on the total paid up capital at the end of the year, it is pointed out that the return on the average capital was 18.9 per cent. For 1915 the showing was 18.78 per cent. The results indicate that the institution is quite capable of earning the 13 per cent. dividend paid, with a substantial margin for reserve. Following are features of the earning record since 1907:—

*Year	Earnings	Rate† Rest	% on Capital	Div.
1916	$580,230	7.63	17.59	13
1915	563,401	8.04	18.78	13
1914	621,403	9.22	21.28	13
1913	555,095	9.47	21.16	13
1912	462,079	....	21.08	13
1911	381,601	....	19.08	12
1910	373,208	....	18.26	12
1909	342,258	....	18.14	12
1908	283,065	....	17.94	12
1907	186,097	....	17.82	12

*Year ends Jan. 31. The 1914 year, for instance, is from Feb. 1 to Jan. 31, 1915.
† On capital and rest.

The improvement in the bank's liquid position effected during 1915 was well maintained in view of the fact that there was a considerable increase in assets. Immediately available liquid assets increased by $706,086, as compared with total increase in assets of $6,028,153. In relation to total assets the immediately available showed 25.51 per cent., compared with 26.68 per cent. in the previous report, while the ratio to total liabilities to the public was 29.53 per cent., against 31.20 per cent.

The increase in assets of over $6,000,000 heferred to was largely represented by investments in public securities, including Government debentures for the purpose of financing munitions orders, and in current loans. There was a considerable falling off in call loans. Liabilities showed an increase in demand deposits of $2,361,286 and of savings deposits of $832,227. Circulation increased by $1,274,750, which indicates the enlarged demand for ready money. Following are comparative figures of the balance sheet:

Immediately Available Liquid Assets.

	1916	1915	Change
Specie .....$	1,532,743	$ 1,549,240—	$ 16,497
Dom. notes.	7,729,781	6,652,193+	1,077,588
Note cr. dep.	150,000	150,000	......
Bk. bal. abd.	594,376	2,592,660—	1,998,284
Notes bank.	210,240	231,719—	21,479
Gov. Sec. ..	1,574,349	1,311,878+	262,471
Cheques ...	1,769,623	1,367,336+	402,287
Gold Reserve	1,500,000	500,000+	1,000,000
	$15,061,119	$14,355,026+	$ 706,086
% of total assets	25.51	26.68	
% of total liab. to public......	29.53	31.20	

Other Assets.

Pub. sec. ...$	5,371,897	$ 1,343,487+	$4,028,410
Other sec. .	298,697	541,064—	242,367
Call loans..	1,656,957	2,325,242—	668,285
Current ...	35,892,085	33,749,339+	2,142,746
Overdue dts	172,800	193,576—	20,776
Lt. of credit	58,646	22,598+	36,048
Real estate.	19,507	20,000—	493
Premises ..	1,229,935	1,171,269+	58,666
Other assets	88,638	100,520—	11,882
	$44,789,162	$39,467,095+	$5,322,067
Totl assets	$59,850,274	$53,822,121+	$6,028,153

Liabilities to Public.

Circulation.$	4,546,513	$ 3,271,763+	$1,274,750
Dem. dep...	11,473,721	9,112,435+	2,361,286
Savings dep.	34,818,843	33,986,616+	832,227
Due banks .	639,598	269,562+	370,036
Due else ...	386,475	......+	386,475
Acceptances	58,646	22,598+	36,048
	$51,923,796	$46,662,974+	$5,260,822

Liabilities to Shareholders.

Capital ....$	3,333,242	$ 3,000,000+	$ 333,242
Reserve ...	4,333,242	4,000,000+	333,242
Dividends ..	106,399	97,500+	8,899
Balance	153,594	61,647+	91,947
	$ 7,926,477	$ 7,159,147+	$ 767,330
Total	$59,850,274	$53,822,121+	$6,028,153

GROWTH CONTINUES OF SOUTHERN LOAN

Business on a Satisfactory Basis in Spite of the Conditions Prevailing.

A continuation of the steady growth of the Southern Loan and Savings Company, of St. Thomas, is found in the annual statement of the company for 1916. That business has been on a satisfactory basis despite the conditions prevailing is evident from the fact that there was again a substantial increase in profits, which amount to $141,414, as compared with $135,407 in 1915. Payments of interest and other expenses left a total of $86,683 for distribution, including the balance brought forward of $9,134. Payment of dividends of 6 per cent. and the addition of $15,000 to the reserve, together with some smaller appropriations, left a balance of $12,015. Following are comparative figures:—

Comparative Earnings.

	1914.	1915.	1916.
Gross earn.....	$132,552	$135,407	$141,414
Balance forward.	3,215	4,955	9,134
	$135,767	$140,363	$150,548
Expense—			
Interest	$ 44,668	$ 45,969	$ 49,359
Expenses	9,722	9,932	9,902
Directors	564	612	572
Taxes	121	129	138
Licenses	1,284	1,284	1,521
Commissions ..	2,988	1,539	2,249
Loss	......	......	124
	$ 59,350	$ 59,467	$ 63,865
For distribution.	$ 76,417	$ 80,895	$ 86,683
Dividends	$ 54,462	$ 54,490	$ 54,537
Off Bldgs.	1,000	1,000	2,090
Safe and vault.	......	......	1,250
Pat. Fund	1,000	......	500
To Reserve ...	15,000	15,000	15,000
War Tax	......	1,270	1,383
Balance	4,955	9,134	12,012
	$ 76,417	$ 80,895	$ 86,683

As compared with the 6 per cent. dividend paid, the earnings on capital were 8.6 per cent., and on investments 7 per cent., as compared with 8.3 per cent. and 6.7 respectively in 1915. Following are features of the earning record:—

	Capital	Reserve	Net Profits	Earned	On Cap.	Div.
1912 .	$907,150	$155,000	$67,960	6.4	7.5	6
1913 .	907,500	170,000	69,994	6.5	7.7	6
1914 .	907,950	185,000	73,202	6.6	8.0	6
1915 .	908,950	200,000	75,940	6.7	8.3	6
1916 .	908,950	215,000	77,549	7.0	8.6	6

*Per cent. on capital reserve and balance at profit and loss.

The balance sheet shows that the company's position as regards liquid assets has been further improved. The total assets increased from $2,257,226 to $2,372,639. Cash stands at $10,204, as compared with $27,825 in the previous report, but there is a large increase in Government and municipal bonds from $35,118 to $115,264. Loans at $2,222,368, compare with $2,162,272. It is interesting to note that the value of the company's buildings has been reduced $2,000 to $22,000; two years ago the figure was $25,000.

WOOL MARKETING.

Arrangements Being Made to Try New Scheme at Guelph.

The question of selling wool cooperatively, which was recently favored at a meeting of the Ontario Sheepbreeders' Association, is being taken up by the Agricultural Department.

R. W. Wade of the Live Stock Branch of the Agricultural Department is Secretary of the association, and is taking charge of the work in co-operation with Mr. F. C. Hart of the Markets branch. It is expected that between 100,000 and 200,000 pounds will be handled in this way, and the Winter Fair Building at Guelph has been secured for assembling the wool.

PROGRESS OF THE STANDARD RELIANCE CO.

Considerable Increase Shown in Funds of Public Handled.

EARNINGS SLIGHTLY HIGHER

But Owing to Prevailing Conditions, Amount Available for Distribution Was Reduced to Below Figures of 1915.

Although the annual statement of the Standard Reliance Mortgage Corporation for 1916 shows an increase in net earnings, after deducting the expense of management and making provision for all known losses—the total of $386,377 standing against $382,752—there was a considerable decline in the profits available for distribution, the total falling from $227,612 to $205,524, or from 8.8 per cent. on the capital paid up, to 7.9 per cent. It is quite evident that enlarged requirements were due to the unusual conditions which have prevailed and that the directors have been following a conservative policy in reaching the net proportion of earnings. Attention is called to the fact that the entire expense of securing the business has been written off from the year's earnings as well as a small premium paid on the sale of debentures to make the yield equal to the market rate, the latter having the effect of slightly lessening the earnings.

The influence of war conditions upon the market for capital is indicated in the fact that interest charges increased from $155,140 to $170,744, although increased public funds handled was also a factor in this connection. Government taxes, including war taxes, took $10,109. The payment of dividends and appropriating $35,000 for reserve had the effect of reducing the balance of profit and loss to $4,743, as compared with $13,726 brought forward from last year. Following are comparative figures:—

	1914.	1915.	1916.
Bal. forward	$ 39,751	$ 5,327	$ 13,726
Profits	184,564	227,612	205,524
	$224,315	$232,949	$219,250
Distribution:			
Dividend	$188,978	$179,22	$179,506
Reserve	30,000	40,000	35,000
Bal. forward.....	5,337	13,726	4,744
	$224,315	$232,949	$219,250

Continued growth in the company's business and sustained public confidence is noted in the fact that debentures have increased from $2,718,825 to $3,124,107. Deposits have also increased, totalling $822,137, as compared with $605,698; there are now two items under this head, $86,784 of the total being on deposit receipts payable on certain fixed days and upon three months' notice. Mortgages assumed are practically the same as in the previous report, at $39,710.

The statement of assets indicates the manner in which the increased funds have been invested. Mortgages total $5,969,896, compared with $5,501,663. Municipal and Government bonds and war loan total $159,723, as against $35,625, and holdings of cash have increased from $138,402 to $200,305. Following are some comparative figures:—

	1914.	1915.	1916.
Mortgages and interest	$5,349,533	$5,501,663	$5,969,896
Loans on stocks, etc.	24,545	56,266	48,261
Stocks, bonds, etc.	422,968	477,116	469,419
Real estate acquired under foreclosure...	154,321	195,477	212,204
Office premises and branches	311,376	297,161	298,063
Mun. debts ..	32,376	35,625	159,723
Cash	114,170	138,402	200,305
To Public—	1914.	1915.	1916.
Deb. & Int....	$2,551,246	$2,718,825	$3,124,107
Depos. & Int..	524,522	605,698	822,137
To Shareholders—			
Paid-up Cap..	$2,563,663	$2,658,867	$2,643,590
Reserves	650,000	690,000	725,000

The statement shows that the company is carrying on its books real estate valued at $212,203, which has been acquired under foreclosure. This amount is somewhat higher than a year ago. Properties of the Dovercourt Land, Buildings and Savings Company are included in this total, and in this connection the directors state that the policy of realization of the investment of the company referred to has been continued throughout the year, with special attention given to expenses owing to the fact that sales were more or less limited because of the financial conditions prevailing.

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - -	$ 25,000,000
Capital Paid Up - -	12,900,000
Reserve and Undivided Profits,	14,300,000
Total Assets - - - -	270,000,000

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Head Office - - - - - - 346 Main Street, WINNIPEG.
J. T. GORDON, Esq., President
(President, Gordon, Ironsides & Fares Co., Ltd.)
W. E. LUGSDIN, Secretary-Treasurer.
WILLIAM HARVEY, B.L., Vice-President and Managing Director

Authorized Capital	$ 1,000,000.00
Subscribed and Fully Paid	750,000.00
Reserve	455,000.00
Total Assets	15,250,000.00

Acts as Trustee, Executor, Administrator, Guardian, Agent, Etc.
Insure your Estate against mismanagement and loss by making your Will appointing this Company your Executor and Trustee. Will forms supplied free. All business of a trust nature transacted.

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CAPITAL ISSUED AND SUBSCRIBED	$1,171,700.00
PAID-UP CAPITAL AND RESERVE	860,225.00

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BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

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Why buy Wood Furniture?
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CEMENT CO.'S EARNINGS SET HIGH LEVEL

Statement Shows 7.7 Per Cent. on the Common.

INCREASES 36 PER CENT

Dividends and Charges All Paid Out of Cement Earnings—Large Amounts Written Off.

As forecast by THE FINANCIAL POST, the earnings of the Canada Cement Company for the year 1916, were the highest in the history of the company. The statement, which was sent out to the shareholders early in the week, shows the net profits to have been $2,218,848, an increase of $476,835, or 36 per cent., over 1915, which was the best year in the history of the company up to that time. The balance, after deducting bond interest and the preference dividend, was $1,040,086, which is equivalent to 7.7 on the common stock of the company. The policy announced some time ago by General Manager Jones, with respect to dividends, appears to have been altogether justified. The earnings of the munitions plant have gone towards depreciation and other accounts, while the dividends have been paid out of cement earnings alone.

Dealing with this phase of the situation, the President in his report says: "We are pleased to report that earnings from the cement business proper were more than sufficient to take care of all fixed charges. Preferred dividends and ordinary dividends chargeable to the year's profits.

Distribution of Earnings.

Comparisons of profit and loss figures for three years follow:

	1916.	1915.	1914.
Net earnings..	$2,218,848	$1,742,013	$1,517,059
Bond interest.	443,762	455,050	459,068
Balance	$1,775,086	$1,286,963	$1,057,990
Pfd. dividend.	735,000	735,000	735,000
Balance	$1,040,086	$551,963	$322,990
Com. Dividend.	607,500	405,000	....
Surplus	$ 432,585	$ 46,963	$ 322,990
Prev. surplus.	1,660,232	1,513,269	1,190,279
Tot. surplus.	$2,092,818	$1,660,232	$1,513,269

The common stock was placed on a six per cent. basis last year, but only 4¼ per cent. came out of the profits of 1916, the first dividend being charged against the profits of 1915. The company has shown an exceedingly conservative policy in the matter of writing off. THE FINANCIAL POST understands that several of the plants of the company are now "velvet," a sufficient amount having been written off to pay for them. The company's Montreal plant, which has cost between $5,000,000 and $6,000,000, has been largely paid for out of earnings.

As a result of this conservative policy, the property account of the company has only increased $396,000 during the year. The president states that it may be expected that the property account at the end of this year will be considerably less than it was at December 31, 1915. As it is understood that the plant investment for the munition business was not far short of $2,000,000, probably at least $1,500,000 was written off during the year, from the profits of the new business.

The company financed these enormous expenditures without increasing the capital expenditures, but naturally the current liabilities are large. The amount due banks and for current account is over $2,000,000, which is an increase of $1,900,000 from the previous year. Current assets, in the shape of inventories, and accounts receivable, are correspondingly increased, but the net surplus of assets over liabilities as given in the statement, is $2,218,848. The contingent reserve account was increased by $150,000, while outstanding bonds were reduced to the amount of $190,600.

The president points out that unless new orders are undertaken of the "temporary character" referred to, the large current liabilities will rapidly decrease. The inference to be drawn is that these amounts will be paid out of the proceeds of the contracts now in hand.

A feature of the report that will occasion considerable surprise, is the statement that the sales of cement were larger than ever before. The statement is all the more surprising because of the falling off in large railway and contracting enterprises. The deficiency in this direction has apparently been more than made up by the increased sales to farmers, and for rural development in the shape of road building. The company's aggressive publicity campaign is bearing fruit. It is quite apparent that the increased prices have had little effect upon business.

The Earnings Record.

The showing upon the company's preferred stock was 16.9 per cent., and upon the common stock 7.7 per cent. The record for the past six years, together with market prices, is shown as follows:—

Canada Cement Record.

	Preferred Earnings	High	Low
1916......	16.90	98	90½
1915......	13.3	92	90½
1914......	10.0	93	88
1913......	10.9	94½	88
1912......	13.2	95½	87
1911......	9.6	89	83⅜
	Common Earnings	High	Low
1916......	7.70	72¾	37¾
1915......	4.09	48	28
1914......	2.40	32	28
1913......	3.03	36⅛	27
1912......	4.89	31	26¼
1911......	2.06	31¼	20½

GUELPH AND ONTARIO.

Satisfactory Year Reported by Savings Society.

A substantial increase in profits and the maintenance of an already strong position, are features of the annual statement of the Guelph and Ontario Investment and Savings Society for 1916. Earnings on investments, rents, interest, etc., amounted to $281,957, as compared with $264,183 the previous year. After the payment of interest, commission, taxes, and other expenses, net profits were shown at $130,668, compared with $122,179 in 1915, and with $114,023 in 1914. Dividends required $69,223, as compared with $62,676 in 1915, and, after placing $52,040 to the reserve fund, the balance of profit and loss was increased from $26,671 at the opening of the year, to $38,116 at the close. Following are comparative figures:—

	1914.	1915.	1916.
Bal. forward ...	$ 13,646	$ 17,168	$ 26,671
Profits	114,023	122,179	130,668
Premium on stk.	7,177	3,862	2,040
	$134,846	$143,209	$159,379
Dividends	$ 60,501	$ 62,676	$ 69,223
Reserves	57,177	53,861	52,040
Bal. forward	17,168	26,672	38,116
	$134,846	$143,209	$159,379

A. B. Petrie, president of the company, directs attention to the fact that the reserve fund now amounts to $687,122, as compared with a paid-up capital stock of $711,982, which places the company in a very strong position as regards its rest account, while, in addition, there is $38,116 of undivided profits. The assets of the company have increased from $3,991,191 to $4,142,716 during the year. Payments on mortgages were exceptionally well met during the year and, after close inspection, the securities held by the society are regarded as very satisfactory. Owing to the fact that the paid-up capital was increased from $643,695 to $711,983, the earnings on capital were slightly lower, being 18.4 per cent., compared with 19.5 per cent. However, on total investments, the showing is improved, being 10 per cent., as compared with 9.9 per cent. Following are features of the earnings record for the past five years:—

Year	Paid-up Capital	Profits	Div.	% Profits As Cap.	Earn. Rate
1912..	$524,000	$104,628	10	19.9	11.3
1913...	594,370	109,057	10	18.3	10.6
1914...	608,310	114,025	10	18.8	9.9
1915...	643,695	122,179	10	19.5	9.9
1916..	711,983	130,668	10	18.4	10.0

The balance sheet shows that currency debentures increased from $1,807,946 to $1,871,444. At the same time, sterling debentures declined from $235,102 to $179,419. There was a slight increase also in savings deposits. Mortgages and other securities held increased over $100,000 and holdings of the Dominion of Canada war loan nearly $150,000. Cash declined from $412,913 to $284,317; real estate held, other than office premises, increased from $17,011 to $40,056.

PROHIBITED EXPORTS.

Hamilton Wickes Reviews Cable from British Board of Trade.

Hamilton Wickes, H. M. Trade Commissioner at Montreal, has received the following cable from H. M. Board of Trade, London, England:

"Exportation of the following prohibited United Kingdom, 19th and 23rd February: Copper manufactures, telegraphs and telephones, various implements for munitions, foodstuffs, starch, refined tallow, albumen, casein, dextrine."

DIVIDEND SOON BY THE HEAPS ENGINEERING CO.

Directors Present an Optimistic Report to Oct. 31st Last.

DISTRIBUTION BY MAY 1st

Payments Are Expected to be at Rate of 5 Per Cent. or More Per Month—Profits of $26,499 Are Shown.

That they feel satisfied that they will be in a position to commence paying regular dividends by the 1st of May, at the rate of 5 per cent. or more per month, is the welcome news for the creditors of the Heaps Engineering Company, which concludes the report of the directors of that concern, issued at New Westminster, B.C., under date of February 1. The period of the report is from December 14, 1915, to October 31, last. It was prepared in accordance with the agreement of June last between the creditors, bondholders and shareholders of the company, by which a Board of Directors was appointed to take over the business from the receiver. The principal business has been in connection with shell contracts, with the general work of the concern carried on as an adjunct, with the main object of realizing some of the inventory assets in order to obtain working capital to assist in the munitions operations.

The statement shows profits of $26,499, of which $23,354 resulted from the production of shells. The net profits amounted to $20,882, to which $633 from the receiver's realization account is added, to arrive at the amount available for distribution to the creditors, making a total of $21,516. Following is a summary of the general profit and loss account:—

Shell Department ...	$23,354.78	
Engineering Department .	3,146.13	
		$26,499.91
Depreciation:		
Lulu Island Plant	$ 2,535.00	
Machine Shop Plant ...	2,682.42	
Reserve for Bad Debts..	400.00	
		5,617.42
		$20,882.49
Balance		$20,882.49
Receiver's Realization Account...		633.56
		$21,516.05
Less		
Preferred Claims	$10,587.45	
Retained to finance Shell Contract	10,000.00	
Not yet received on Shell Contract	803.00	
Balance	125.60	
		$21,516.05

The directors point out that, as a result of operations, $8,777 has been realized from the sale of inventory assets. The auditors recommend that $11,303 be put aside for depreciation, but the directors suggest that $5,617, the depreciation only on the part of the plant operated, be placed in the reserve account on the books, and the accounts have been made up on this basis.

A Further Shell Contract.

In connection with the retention of the sum of $10,000 of the amount available for distribution for the financing of shell contracts, the directors point out that further business has been secured, which, they explain, will keep the plant busy until the end of June. This contract is for 18 pdr. shells and probably would not have been secured had the company not taken the previous contract for 4.5 in. shells. The directors estimate that within sixty days they shall be receiving returns which will largely exceed the outgoing expenses.

It is pointed out that with the $10,000 referred to, absorbed in financing the new shell contract, the only funds available for distribution at the present time are $926 and of this sum a balance of $802 has not been received on the last shell contract. However, the directors point out that the $10,000 will be available for distribution as soon as the returns on the new contract are received. The company's present position is briefly reviewed as follows:—

> Before completing this report we would like to briefly review the present position of the Company. The operations under the agreement to June 21st have resulted in the realization of $21,516.05 for the benefit of the creditors; $8,777.71 has been realized from the sale of the inventory assets, and a reserve of $5,617.42 has been set aside to cover depreciation. While the last two amounts are not available for distribution to the creditors, under the terms of the agreement, which we are operating under, we have every reason to believe that should the reserve funds above mentioned accumulate and amount to sufficient to pay off the creditors' claims in full on or before the completion of operations under this agreement, that arrangements would be made to use them for this purpose. In the meantime we have the use of this money for further operations and all expenses of putting the plant into shape for the manufacture of shells (other than special tools for shell work only) have been paid for out of these amounts, so that if we did not have so much money tied up at present in the 4.5" shell contract, it would not have been necessary, in our opinion, to retain the whole of the $10,000.00 authorized by the creditors.

The directors point out that, apart from the operations under the agreement, the liabilities have been reduced by $20,954 which the Bank of Montreal has collected from the bills receivable discounted and the book debts. Thus, the liabilities have been reduced by this amount in addition to the $10,587 paid on preferred claims, a total reduction of $41,541 since the commencement of 1914.

SELFRIDGE'S.

Success of American Merchandizing Methods in England.

The statement of Selfridge's American Department Stores for the year ending January 31 last shows a net profit of £225,000, against £150,000 for the previous year, and a balance brought forward of £127,000, against £79,000.

A dividend of 7 per cent. was declared, as against 6 for the previous year. The company wrote off £20,000. The original cost of the main site, etc., has been refunded at 5 per cent. The amount of the income tax payable on the September dividend after paying for the March dividend, free of tax, provided £35,000 excess profits duty.

THE SHORT PACK AFFECTS PROFIT OF B.C. PACKERS

Annual Statement Shows Big Decline as Compared With 1915.

EMBARGO AFFECTS OUTLOOK

Curtailment of British Market Likely to Prove a Serious Factor in Business of 1917 When There Should Be a Big Run.

A big falling off in the profits of the B.C. Packers Association for the year 1916 is shown in the annual statement. The total of $257,808 compares with $475,745 in 1915. It would appear that the decline has been largely due to the fact that the 1916 pack was very short, the sock-eye run on the Fraser River being the poorest on record. Following are comparative figures of the earnings account:

	1916	1915
Profits	$ 257,808	$ 475,747
Balance forward	1,072,845	856,599
	$1,330,653	$1,332,346
Dividends	$ 171,689	$ 150,248
Depreciation	78,992	76,921
Contingent	5,000	5,000
War tax, 1915	34,202	....
Patriotic	1,200	1,500
Loss 2 steamers	58,293	....
Prov. for redemp. of pfd. shares	....	25,208
Inc. expenses	....	624
Balance	981,277	1,072,845
	$1,330,653	$1,332,346

It will be noted from the foregoing that, after the payment of dividends and war tax, and making ample allowance for depreciation, together with a provision for contingent account an additional $58,293 had to be provided for the loss of two of the company's steamers "Onward" and "Roman." The result was that the surplus of profit and loss had to be drawn upon to the extent that the balance carried forward of $98,277 compared with $1,072,845 brought forward. The reserve was, therefore, reduced to the extent of $91,568, which was somewhat less than the loss on the steamers $68,293 and the business profits war tax $24,202, a total for these items of $92,495.

It will be of interest to shareholders to point out that while 1916 saw an unusually short pack the outlook is for much larger business in 1917—a year of the big run which occurs once in every four. However, the recent embargo on foodstuffs established by the Lloyd-George government may interfere considerably with the export trade to the British markets. The condition of the embargo is that imports of canned salmon be reduced by half. In this connection it is noted that the government is taking the matter up in London.

The Fourteenth Annual Report of the Directors of

The Great West Permanent Loan Company

HEAD OFFICE - WINNIPEG, MAN.

TO THE SHAREHOLDERS:

It is with pleasure that your Directors beg to submit for your consideration their Fourteenth Annual Report of the affairs of the Company, accompanied by the financial statement, for the year ending December 31st, 1916, including the usual statements of assets and liabilities and profit and loss account, as certified by the Company's auditors.

Referring to the various items of assets, it may be noted that the first mortgage loans show a small decrease from that of the previous year, while stocks owned by the company and loans on stocks and other securities show an increase over the same items in 1915. As regards head office premises, the Company's one-half interest is shown, also the amount still owing this company in this connection by The Imperial Canadian Trust Company. While the amount of real estate owned by the company increased considerably during the past year, the aggregate total is not excessive, considering the amount of money loaned by the company on first mortgages and after making due allowance for the prolonged period of business depression due to the war and other causes. Your directors do not anticipate, however, that the Company will sustain any loss on the properties which it has taken over, and it is quite probable that, with the return of prosperous times, the Company will not only realize the amounts represented by these properties, but a fair margin of profit also.

The usual precaution was exercised throughout the year in keeping large cash reserves, the amount of cash on hand and in the banks at the close of the year being practically $300,000.00.

The subscribed capital remains the same, and the paid-up capital shows a small increase. While the deposits show a decrease for the year, yet the debentures show an increase of $158,510.00. The Province of Ontario has been our chief source of debenture money since war broke out. As regards our sterling debentures, the renewals have been satisfactory. Considering the many government issues, both domestic and foreign, which were offered to the public during 1916, it is particularly gratifying to be able to refer to the substantial amount of debentures sold. As was mentioned in the last directors' report, our supply of Old Country capital is, for the time being, cut off—in other words, mortgage corporations have not been permitted for the last two years to increase their aggregate borrowings in the British Isles.

The profits for the year, after deducting all expenses of management, interest and all other charges, amounted to $208,253.92. After providing for two half-yearly dividends at the rate of eight per cent. per annum, amounting to $192,509.91, there remained surplus profits of $15,744.01, which was carried forward to the profit and loss account. This fund, combined with the Reserve, amounts to over $700,000.00, or over 29 per cent. of the paid-up capital.

Taking the business situation as a whole for the past year, it may be said that it was fairly satisfactory. While the aggregate crop production in Western Canada in 1916 was considerably less than in the record year of 1915, unusually high prices to a large extent offset this.

Notwithstanding the fact that we are in the midst of a world war and that our general business conditions prior to the war were none too promising, it may safely be said that the Dominion has not only been practically free from poverty, labor unrest and unemployment, but a certain air and degree of prosperity has been in evidence on all sides.

By those who have studied the situation it is felt reasonably certain that after the conclusion of this war, which now would appear to be before the close of the present year, this country will attract enormous amounts of capital and great numbers of immigrants, and, without being unduly optimistic, it is believed that our country will experience a great period of development and prosperity in the period following the war. If such be the case, it is only natural that this company, situated at the gateway of the West, should share in a large measure in the returning prosperity. It possesses, through its excellent system of branches and agencies, splendid facilities for carrying on its work effectively and to the best possible advantage.

Your directors wish to thank the shareholders for their co-operation during the past year and for the many evidences of confidence shown by them towards the management of the Company.

It is also with a feeling of appreciation that the directors refer to the faithful services of the officers, staff and agents of the Company during the past year, and they are confident that every possible effort will be put forth in the present year to maintain the splendid record of the Company.

W. T. ALEXANDER, President.

The election of directors for the current year resulted as follows: W. T. Alexander, D. E. Sprague, E. L. Taylor, J. H. G. Russell, J. G. Hargrave, Hon. A. C. Rutherford, Edmonton, Alta.; R. G. Affleck, Dr. A. D. Carscallen, S. D. Lazier, F. H. Alexander.

STATEMENT OF ASSETS AND LIABILITIES

At December 31st, 1916

ASSETS.

Real estate loans		$5,725,936.36
Stocks at cost, with interest accrued		163,759.34
Loans on stocks and other securities		177,800.14
Head office building and site		327,053.62
Owing by Imperial Canadian Trust Company on quarter interest in head office building and site		133,352.35
Real estate owned by company		439,062.42
Sundry accounts due company		8,713.55
Charter and License account		6,452.92
Commission and expense suspense account		47,374.81
Furniture and fixtures, head office and branches		39,641.58
Cash on hand and on deposit		299,769.01
		$7,368,916.10

LIABILITIES.

Capital stock subscribed	$2,426,750.00	
Capital stock paid-up		$2,411,862.81
Interest accrued on capital stock "B"		728.61
Unclaimed dividends		1,679.41
Dividend on capital stock, January 2, 1917		96,280.00
Deposits and accrued interest		805,549.85
Debentures and accrued interest		1,512,721.07
Loan repayments		1,836,915.73
Amounts unadvanced on mortgage loans		931.97
Sundry accounts payable		600.62
Reserve fund		685,902.62
Profit and Loss account		15,744.01
		$7,368,916.10

W. T. ALEXANDER, President.

PROFIT AND LOSS ACCOUNT

For Year Ending December 31st, 1916

Net profits for the year from first mortgages and other sources, after deducting interest on debentures and deposits, management expenses and all other charges		$ 208,253.92
Less:		
Dividend July 2nd, 1916	$96,229.91	
Dividend January 2nd, 1917	96,280.00	
		192,509.91
Balance		$ 15,744.01

AUDITORS' REPORT

We beg to report that we have audited the books and accounts of The Great West Permanent Loan Company for the year ending December 31st, 1916, and have found them properly stated and sufficiently vouched, and we have also verified the mortgages and other securities, which appear to be in order.

In our opinion, the above balance sheet presents a correct view of the state of the company's affairs as at December 31st, 1916, according to the best of our information and the explanations given us, and as shown by the books of the company.

We would recommend that a contingent reserve be created for any possible losses on real estate acquired by foreclosure and uncollected interest accrued and due.

D. A. PENDER, COOPER, SLASOR & CO., C.A.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.

Winnipeg, Man., February 14th, 1917.

THE FINANCIAL CONDITION OF CANADA GOOD

Optimistic Observations re Loaning Situation by E. R. Wood.

CENTRAL CANADA'S YEAR

Company Showed Increased Profits—Announcement That Interests in Dominion Securities Have Been Sold.

Some interesting observations as to the conditions affecting loan and mortgage companies during 1916 are to be found in the address of E. R. Wood, president of the Central Canada Loan and Savings Company, made to the shareholders at the annual meeting and just issued in pamphlet form. Mr. Wood states that payments of principal and interest by borrowers have been exceedingly well met. This condition exists despite the fact that the general crops throughout the country, particularly in the West, were not so good as the previous year. However, this was largely offset by the greatly enhanced prices received for various agricultural products.

That probably never before has the general financial condition of Canada been better than at the present time, is the opinion of Mr. Wood, who draws attention to the fact that a keen sense of responsibility brought home to each one as the result of the war, combined with the timely warnings and advice given by various Government officials and financial authorities, resulted in a marked determination to save and conserve resources.

Dealing particularly with the affairs of the Central Canada, Mr. Wood states that while currency debentures showed a decline, this was readily accounted for by the enlarged amount withdrawn for investment and securities of a high grade offered by the Government and other sources as a direct result of the war, and bearing a more attractive rate of interest than the company cared to offer. Sterling debenture-holders have also take advantage of the opportunity of re-investing their maturing funds at home to a considerable extent, not only from a sense of patriotic duty but also owing to the fact that high grade investments in Great Britain had been readily obtainable during the year at yield rates higher than for many years in the country's history. Under these conditions Mr. Wood believes there is ground for congratulation that the volume of funds withdrawn for investments has not been greater.

Dominion Securities Sold.

An interesting feature of Mr. Wood's report deals with the sale of the Dominion Securities Corporation. He points out that in the past a portion of the earnings of Central Canada had been derived from the purchase and sale of municipal and other securities through this concern, the capital of which was owned by the company. In order that more attention might be given to the loaning business, the directors considered it advisable to realize on the investment in the Dominion Securities, and the holdings in that concern were accordingly disposed of.

Central Canada's Profits.

The company's profits at $221,511 for 1916 showed a very substantial balance over the $214,052 returned in 1915. Dividends took $175,000 and $12,700 was devoted to patriotic purposes, leaving a balance to be carried forward of $57,053, as compared with $23,242 brought forward from the previous year. Following are comparative figures:—

	1914	1915	1916
Bal. For'd.	$ 43,623	$ 84,190	$ 23,242
Net Profits	215,567	214,052	221,511
	$259,190	$298,242	$244,753
Distribution—			
Dividends	$175,000	$175,000	$175,000
Reserve	......	......	......
Bal. For'd.	84,190	23,242	57,053
Patriotic	......	......	12,700
	$259,190	$298,242	$244,753

The earnings referred to were at the rate of 12.4 per cent. on capital, compared with 12.2 per cent. in 1915 and 12.3 per cent. in 1914. On investments the showing was 6.3 per cent., as compared with 6 per cent. last year. Following are features of the earnings record of the past five years:—

Years	Paid-up Capital	Profits	Div.	% Profits Cap.	Earn. rate*
1912	$1,750,000	$282,504	10	16.1	8.5
1913	1,750,000	285,816	10	16.3	8.3
1914	1,750,000	215,567	10	12.3	6.0
1915	1,750,000	214,052	10	12.2	6.0
1916	1,750,000	221,511	10	12.4	6.3

*Per cent. of capital, reserve and balance at credit of profit and loss.

Large Cash Balance.

Like many other loaning companies a large cash balance was maintained on hand, the figure at the end of the year being $619,229. This naturally resulted in a lessening in earning power for the year, but the directors have followed the policy of sacrificing profits to maintain a fairly liquid position. The balance sheet also shows a material increase in deposits for the year, the balance being $1,776,783, as against $1,646,709, or approximately $140,000.

The attention of the shareholders is called to the fact that all of the company's assets now stand in the books at prices well within the present value

Canada Cement Company Limited

Consolidated Balance Sheet, December 31, 1916

ASSETS.

PROPERTY ACCOUNT				$31,863,273.31
INVESTMENTS				25,234.00
CURRENT ASSETS:				
Inventories at Cost			$ 3,788,484.62	
Accounts Receivable, less Bad Debts Reserve			878,050.58	
Bills Receivable			12,600.00	
Deposits on Tenders			54,994.20	
Cash			126,892.01	
				4,861,021.41
DEFERRED CHARGES TO OPERATIONS				25,533.27
				$36,785,061.99

LIABILITIES.

CAPITAL STOCK:				
AUTHORIZED:				
Preference—110,000 Shares Seven Per Cent. Cumulative of $100 each			$11,000,000.00	
Ordinary—190,000 Shares of $100 each			19,000,000.00	
			$30,000,000.00	
ISSUED:				
Preference—105,000 Shares Seven Per Cent. Cumulative of $100 each			$10,500,000.00	
Ordinary—135,000 Shares of $100 each			13,500,000.00	
				$24,000,000.00
FIRST MORTGAGE SIX PER CENT, TWENTY-YEAR GOLD BONDS:				
Authorized and Issued			$ 8,000,000.00	
Less: Redeemed through Sinking Fund			742,386.69	
				7,257,613.31
CURRENT LIABILITIES:				
Bills Payable			$ 950,000.00	
Accounts Payable			1,229,516.28	
Bond Interest accrued at December 31st, 1916			108,864.21	
Preference Dividend No. 28 paid February 16th, 1917			183,750.00	
Ordinary Dividend No. 3, of 1½ per cent. paid Jan. 16th, 1917			202,500.00	
				2,674,630.49
RESERVES:				
Extraordinary Repairs and Renewals			$ 175,000.00	
Cotton Sacks Outstanding			150,000.00	
Industrial Accidents			25,000.00	
Contingent Reserve			400,000.00	
				760,000.00
SURPLUS:				
Balance December 31st, 1915		$2,065,232.82		
Deduct: Ordinary Stock Dividend No. 1 of 3 per cent. declared payable out of 1915 Earnings		405,000.00		
			$ 1,660,232.82	
Add: Net Profit for year ending December 31st, 1916		$2,218,848.10		
Deduct: Bond Interest	$443,762.73			
Preference Dividend	735,000.00			
Ordinary Dividend	607,500.00	1,786,262.73	432,585.37	2,092,818.19
				$36,785,061.99

We have examined the books and accounts of the Canada Cement Company, Limited, for the fiscal year ending December 31st, 1916, and certify that the above Balance Sheet is properly drawn up, and in our opinion shows a true and correct view of the financial position of the Company at that date. The profits of the year ending December 31st, 1916 as shown on the Balance Sheet are arrived at after making provisions which are in our opinion sufficient for the Depreciation of Plant and Special Equipment, and after transferring $150,000 to the credit of Contingent Reserve.

PRICE, WATERHOUSE, & Co.
Chartered Accountants.

Montreal, February 19th, 1917.

HAMILTON LOAN HAD INCREASE IN EARNINGS

Better Returns Despite Fact That Many Sterling Debentures Were Retired.

Despite the fact that during the year a considerable portion of the maturing sterling debentures were retired, owing to the high rate of interest current in Great Britain, the Hamilton Provident and Loan Society was able to report for 1916 an increase in profits of slightly over 8 per cent. After deducting interest on borrowed capital, expenses of management, contributions to patriotic fund and all other charges, including $3.081 for Government and business tax, profits were shown of $176,575 as compared with $164,546 in 1915, and $160,843 in 1914. After the payment of dividends at the rate of 8 per cent., and war taxes of $3,544, $75,000 was added to the reserve fund and the balance of $2,030 to the contingent fund. Following are comparative figures showing distribution:—

	1914	1915	1916
Profits	$160,843	$164,546	*$176,575
Distribution—			
Dividends	$ 96,000	$ 96,000	$ 96,000
War Tax	....	3,097	3,544
Improvements	1,930	....	....
Reserve	59,000	60,000	75,000
Contingent fund.	3,913	5,448	2,030
	$160,843	$164,540	$176,575

*After payment of government and business tax.

The reserve fund now amounts to $1,060,000, as compared with a paid-up capital of $1,200,000, thus providing a very strong margin of safety. The contingent fund totals $31,062.

The balance sheet shows that total assets have declined from $4,874,409 to $4,663,881. Under this head the value of mortgages held had declined from $4,178,899 to $4,117,749. Municipal debentures have increased from $223,105 to $231,475, but there has been a big falling off in the cash balance which stands at $207,862, as against $367,132. These declines have been counterbalanced by a reduction of liabilities to the public from $2,612,377 to $2,323,818. Sterling debentures have fallen from $855,364 to $607,894, and currency debentures from $508,807 to $420,537, while there has been a fair increase in savings deposits from $844,333 to $895,309.

Despite the abnormal conditions which have accompanied the war, the following record of the company's earnings shows a continuous improvement for the past five years. The earnings on capital were 14.7 per cent. compared with 8 per cent. paid and the showing on capital invested was 8 per cent.

Year	Paid-up Capital	Profit	Div.	% to Cap.	*Rate
1912	$1,160,000	$143,739	7	12.4	7.4
1913	1,200,000	148,042	7	12.6	7.4
1914	1,200,000	160,843	8	13.4	7.8
1915	1,200,000	164,546	8	13.7	7.6
1916	1,200,000	176,575	8	14.7	8.0

*Percentage of total average capital, reserve and balance at profit and loss at commencement of year.

TORONTO MORTGAGE.

Some Very Satisfactory Features of Annual Report.

The very satisfactory statement at the Toronto Mortgage Company was enlarged upon for the benefit of the shareholders at the annual meeting. It was pointed out that the increased profits had been brought down after making ample provision for all possible losses such as shrinkage of present market value of Government and municipal bonds owned by the company. Attention was called to the fact that the revenue had not been swelled by interest due but not paid, all the earnings having been collected at the close of the year. No property has come into the hands of the company by default, or has been held in any way for sale, and the 1916 arrears of interest and insurance premiums amounted at the close of the year to only one-eleventh of 1 per cent. of the assets, since then they have been reduced to the insignificant sum of $235.

In connection with the company's assets, which now total $3,244,596, it may be pointed out that values have been placed on a very conservative basis. Attention in particular may be called to the fact that the office premises in Toronto street, are entered at $45,000, as compared with an assessment of $110,000, and a generally recognized valuation much higher.

TO INVESTORS

THOSE WHO, FROM TIME TO TIME, HAVE
FUNDS REQUIRING INVESTMENT
MAY PURCHASE AT PAR

DOMINION OF CANADA DEBENTURE STOCK

IN SUMS OF $500, OR ANY MULTIPLE THEREOF

Principal repayable 1st October, 1919.

Interest payable half-yearly, 1st April and 1st October by cheque (free of exchange at any chartered Bank in Canada) at the rate of five per cent per annum from the date of purchase.

Holders of this stock will have the privilege of surrendering at par and accrued interest, as the equivalent of cash, in payment of any allotment made under any future war loan issue in Canada other than an issue of Treasury Bills or other like short date security.

Proceeds of this stock are for war purposes only.

A commission of one-quarter of one per cent will be allowed to recognized bond and stock brokers on allotments made in respect of applications for this stock which bear their stamp.

For application forms apply to the Deputy Minister of Finance, Ottawa.

DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.

PETERBOROUGH MILK PRODUCTS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 6th day of February, 1917, incorporating Rupert Kenneth Grimshaw, contractor, Edward John Swift, accountant, Fraklin Delos Read, bookkeeper, George Gordon Plaxton, barrister-at-law, and Lily Davis, stenographer, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, sell and otherwise deal in condensed, preserved and evaporated milk, and all other manufactured forms of milk; to produce, purchase and sell fresh milk and all the products of milk; to manufacture, purchase and sell all food products; to carry on business as dealers in and producers of dairy, farm and garden produce of all kinds, and in particular milk, cream, butter, cheese, poultry and eggs, fruit and vegetables; to carry on business as cowkeepers, farmers, millers and market gardeners, and as manufacturers of all kinds of condensed milk, jam, pickles, cider and preserved provisions of all kinds; (b) To manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail; (c) To manufacture, purchase or otherwise acquire, and to sell or otherwise dispose of any or all kinds of goods, wares, chattels and merchandise, and generally to deal in and deal with all species of property, either movable or immovable, capable of being owned; (d) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (e) To acquire or undertake the whole or any part of the business, property and liabilities of any persons or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (f) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use, or any secret or other information or to any invention or process which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (g) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (h) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (i) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the company; (j) To pay for any property, rights and things required by the company or with the approval of the shareholders, for services rendered to the company in cash, fully paid shares of the capital stock of the company or its bonds and debentures; (k) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or any person, partnership, association or company allied with the company in business, or subsidiary to the company, or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful objects; (l) To amalgamate with any other company having objects similar to those of this company; (m) To invest the moneys of the company not immediately required in such securities and in such manner as may from time to time be determined; (n) To distribute or divide assets of the company in specie amongst the shareholders; (o) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (p) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country, and to accept service for and on behalf of the company of any process or suit; (q) To purchase, lease or acquire and develop water or other power and to use the same and to lease, sell or otherwise dispose of any surplus thereof; (r) To do all or any of the above things as principal, agents, contractors or otherwise, and either alone or in conjunction with others; (s) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof, and to employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Peterborough Milk Products, Limited," with a capital stock of two hundred and fifty thousand dollars, divided into 10,000 shares of twenty-five dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 14th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

FORD TRACTOR COMPANY OF CANADA, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 13th day of February, 1917, incorporating Elizabeth Knox, Emma Pearl King, Mary Elizabeth Cherrier, Eva Leavitt, and Kate Campbell, stenographers, Harry Gordon Keen, student-at-law, and John Francis Boland, barrister-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To build, construct, operate, to prepare for market and market motor tractors, engines, machinery and equipment in connection with the manufacture or operations of tractors, including all apparatus, machinery, tools or property useful in connection therwith; to manufacture, buy, sell, exchange, alter or improve and deal in tractors of any kind so constructed as to progress by automatic power, whether by means of electricity, steam, gas, oil or otherwise; (b) To acquire and take over the business within the Dominion of Canada of Ford Tractor Company, Inc., including the patent rights within the Dominion of Canada for the Ford Tractor; (c) To manufacture, buy, sell, exchange, alter or improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on any of the above specific businesses or proceedings or usually dealt in by persons engaged in the like; (d) To manufacture or trade in property and goods of all kinds; (e) To produce and accumulate steam and electricity or other agencies similar or otherwise, and to use and supply the same for power, light and heating purposes in connection with the business of the company, and to sell and dispose of any surplus steam or electricity for power, lighting and heating purposes, subject to the provincial and municipal laws and regulations; (f) To acquire and take over as going concerns or otherwise the undertakings, assets and liabilities of any person or company carrying on any business in whole or in part similar to that which the company is authorized to carry on or possessed of property suitable for the purposes of this company, and with a view thereto to acquire all or any of the shares or liabilities of such companies; (g) To sell, lease or otherwise dispose of the property or undertaking of the company or any part therof, for such consideration as the company may think fit, and in particular and notwithstanding the provisions of section 44 of The Company Act for shares, debentures or securities of any other partnership, association or company; (h) Notwithstanding the provisions of Section 44 of the Companies Act, to subscribe for, purchase, assume, liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debentures, stocks or other securities or obligations or any estate or interest therein; and to apply or to accept in whole or in part as consideration or satisfaction or security for any contract, indebtedness or obligation to or of the company, property obligations, shares and securities of any kind at such valuation and upon such terms as may be agreed upon; and to apply or to accept as security for any indebtedness to the company, mortgages of land or chattels upon such terms as may be agreed upon; (i) To invest and deal with the moneys of the company not immediately required, and in such manner as from time to time may be determined; (j) To procure the company to be registered, licensed or otherwise recognized in foreign countries and to designate and appoint persons therein as attorneys or representatives of the company, with full power to represent the company in all matters according to the law of such foreign countries, and to accept service for and on behalf of the company of any process or suit; (k) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value or render profitable any of the company's prop- otherwise acquire, any patents, brevets d'in- erty or rights; (l) To apply for, purchase or vention, licenses, concessions and the like, conferring any exclusive or nonexclusive, or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (m) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in or, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (n) To enter into any arangements with any government or authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (o) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, (or its predecessors in business) or the dependents or connections, of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (p) To promote any company or companies for the purpose of acquiring all or any of the property rights and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit the company; (q) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any machinery, plant, stock-in-trade; (r) To construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (s) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons; (t) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (u) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (v) For itself, its agents or others to acquire by purchase, lease or otherwise, and hold, use and improve, manage, lease, sell, exchange, dispose of or otherwise deal with lands, tenements and hereditaments and immovables and interests therein and to erect, alter, repair and maintain buildings upon any lands in which the company may have any interests, either as principal or agent, or upon any other lands, and to deal in building materials of all kinds; (w) To issue the stock, bonds, debentures or other securities of the company in payment in whole or in part of any of the foregoing; (x) To do any and all things set forth as its objects as principal, agent, contractor or otherwise, and to carry out any or all of the foregoing objects as principals, agents, sub-contractors or otherwise, and by and through trustees, agents, sub-contractors or otherwise, and alone or jointly with any other corporation, association, firm or person, and to do all and everything necessary or incidental for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated or incidental to the powers herein named, or which shall at any time be necessary or incidental for the protection or benefit of the corporation; (y) The objects specified in each paragraph hereof shall except where otherwise expressed in such paragraph be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company; (z) And to do all such other things as are incidental or conducive to the attainment of the above objects or any of them. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Ford Tractor Company of Canada, Limited," with a capital stock of ten million dollars, divided into 100,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 14th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

Macdonell & Boland, 2 Toronto St., Toronto, Solicitors for Applicants.

JOINING THE INTERESTS OF EAST AND WEST

Agriculturalists and Manufacturers Should Consolidate Interests

A PLEA FROM THE WEST

G. R. Monarch, President of the Lethbridge Board of Trade, Deals Further With the Need for Sympathetic Co-operation.

The problem of agricultural finance and marketing and the question of sympathetic co-operation of financial and industrial interests of Eastern Canada and agricultural interests of Western Canada, particularly with a view to united effort in post-war development of our national resources, which have been dealt with in these columns in a most illuminating and interesting manner by G. R. Marnoch, receive attention in the annual report of the Board of Trade of Lethbridge, Alta., of which Mr. Marnoch is president. The following is taken from a copy of the document which has just been received:—

The following remarks regarding the Economic and Development Commission appeared under this heading in the annual report of this Board of Trade for 1915:—

"The whole Dominion is alive now to the necessity for an apprehension of the destiny of our national life. A Royal Commission is now in session making full enquiry into the features of our agricultural business. The wide scope of this Economic and Development Commission, embracing as it does enquiries into matters concerned with agricultural production and marketing, colonization and immigration, labor bureaus, transportation and agricultural and manufacturing credits, the encouragement of conversion of agricultural products into manufactured supplies within the Dominion, etc., etc., implies that some time must elapse before definite conclusions can be presented; but as it is provided that interim reports are to be made to the Government, action on more pressing matters may proceed even while the deliberations progress. We live in a period of flux and change, and none may say what developments may take place when the war is concluded.

The personnel of this commission has been criticized; but if profitable and speedy action is to result it is absolutely necessary that on the one hand there should be wide consultation with the various factors of our citizenship, and on the other, definite connection with the Government; and it becomes evident that our duty lies in the direction of doing whatever we can to aid the commission to arrive at well-digested findings just as quickly as possible."

In August, 1916, a communication was received by your secretary from the chairman of a special committee of the Senate on agricultural, industrial and trade development, asking for assistance in the work of the commission; but at about the same time a press interview with the chairman of the commission stated that the offices of the commission had been closed.

The Joint Committee of Commerce and Agriculture, a body of farmers and business men, came together for the first time at Winnipeg in March, 1916. Another meeting was held in December. In July the farmer members had conferences with representative bankers and with the farm mortgage interests.

The committee takes under its purview all matters in which commerce and agriculture are jointly involved, and it is composed of twenty-five farmer members from the executives of the farmers' organizations of Ontario, Manitoba, Saskatchewan, and Alberta, and twenty-five business men, representing the general, banking, finance, wholesale and retail merchandising, railways, etc., interests of the prairie provinces.

The committee sat during three days in March, and great progress was made by the gradual discovery during the deliberations of a very patent fact that seemed somehow in the busier years of our rapid development to have been lost sight of—namely, that the interests of all Canadians are identical; that we are all human; that we are not all crassly selfish; and that each one of us owes a patriotic duty to his country, and has responsibilities connected with the development of our people that are quite as important, though not so pre-eminent at the moment, as our patriotic duties in connection with the war.

The conference in March served further to clear up grounds of difference into which the farmers and the bankers and the mortgage men had drifted, simply for lack of an understanding of their various duties and responsibilities.

It was intended that the meeting in December should have examined the effects of some recent legislation. Some progress was made in this direction, but the progress was not as great as it might have been, owing to the fact that the only studied findings were presented by the delegates from Alberta, and also because the meeting followed just after the various farming interests had been released from a long series of meetings dealing with other subjects.

It is intended that the farmers should meet the bankers again soon, and that the joint committee shall convene again thereafter, likely during March, 1917.

These meetings of the various interests in the West raise the hope that by-and-by the East may sit down with the West to consider their joint interests. We can never make very much progress by shouting at each other across the barrens at the head of Lake Superior. Neither can we make the progress that we ought to make, by leaving it solely to our political leaders to interpret us each to the other. The fact that the farmers are our biggest exporters may just as well be recognized now as at any future date.

Ottawa Light, Heat & Power Co.
LIMITED

OTTAWA, CANADA

OPERATING

The Ottawa Electric Co. and The Ottawa Gas Co.

ELEVENTH ANNUAL REPORT

To the Shareholders:

Your Directors now submit their Annual Report accompanied by Financial Statements covering the operation of The Ottawa Electric Company and The Ottawa Gas Company for the fiscal year ending December 31st, 1916.

There has been a continuous acquirement of new business by both Companies throughout the year, but the combined revenues from such new business have not yet been quite sufficient to offset the lower rates brought into force. The price of gas was reduced 10 per cent. on January 1st, 1916, and there had been, some months earlier, a similar reduction in the electric rates, the effect of which was not fully realized until 1916. During the past year the flat rate commercial accounts have been changed to a meter basis, and while this effected a material saving in the use of power it was also a factor in the reduction of revenue. The economical use of gas and electricity by the Company's customers, due to war conditions, still prevails.

The revenues from all sources aggregate $834,192.20.

The expenses of management, operation, and maintenance, together with bond and bank interest, amount to $602,330.57.

After deducting from the gross revenue the gross expenditure, which includes bond and bank interest, the net surplus for the year is $231,861.63.

The sum of $89,473.86 has been expended upon Capital Account.

The balance at credit of Profit and Loss Account with the addition of the year's surplus, is $277,157.80. From this four quarterly dividends at the rate of 6 per cent. per annum have been paid, amounting in all to $209,947.20. After making provision for bad and doubtful debts, there remains $58,876.90 at the credit of Profit and Loss Account, and $720,000 at the credit of Reserve Account.

All of which is respectfully submitted

Ottawa, February 20th, 1917.

T. AHEARN, President.

BALANCE SHEET, DECEMBER 31st, 1916.

1. Cash on Hand		$ 400.00
2. Accounts Current:—		
(a) Electricity and gas supply for light, heat and power, residuals, etc.	$ 290,051.25	
(b) Merchandise	63,390.01	
(c) Bills Receivable	13,367.48	
(d) Sundry Accts. Receivable	106,164.02	
	$472,972.77	
(e) Less amount set aside to provide for bad and doubtful debts	$ 33,472.81	
		439,499.96
3. Merchandise and stores		81,409.20
4. Property, Plant and Equipment		5,663,075.69
5. Supplies on hand at date of December 31st, 1916		21,155.62
		$6,205,540.47
LIABILITIES.		
6. Bonds:—		
(a) The Ottawa Electric Co., First Mortgage Bonds	$ 500,000.00	
(b) The Ottawa Electric Co., Refunding and 1st Mortgage Bonds	625,000.00	
(c) The Ottawa Gas Company Consolidated Bonds	150,000.00	
		1,275,000.00
7. Accounts Payable:—		
(a) Banks	157,847.72	
(b) Trade	206,403.33	
(c) Bills Payable	200,000.00	
(d) Labour	3,892.52	
		668,143.57
Total to the Public		$1,943,143.57
8. Capital paid in	3,483,520.00	
9. Reserve Account	720,000.00	
10. Profit and Loss	58,876.90	
Total to Shareholders		4,262,396.90
		$6,205,540.47

Certified correct,
R. QUAIN,
S. FEE,
} Auditors.

STATEMENT OF REVENUE AND EXPENDITURE FOR FISCAL YEAR ENDING DECEMBER 31st, 1916.

REVENUE.

Gross Revenue from all sources, viz:— Electricity and gas supply for light, heat and power, including sales of Coke, Tar and other residuals		$834,192.20
EXPENDITURE.		
Gross cost of Management, Operation and Maintenance		512,067.69
Showing a Gross Credit Balance of	$322,124.51	
To the Expenses above the following charges are added:—		
Interest on Bonds		63,750.00
Interest on Current Liabilities		26,512.88
Making the Gross Expenditure		602,330.57
Leaving a Surplus of Revenue over Expenditure		231,861.63
		$834,192.20

Certified correct,
R. QUAIN,
S. FEE,
} Auditors

PROFIT AND LOSS ACCOUNT FROM JANUARY 1st, 1916, TO DECEMBER 31st, 1916.

CR.	
Balance at Credit December 31st, 1915	$ 45,296.17
Surplus of Revenue over Expenditure for year ending December 31st, 1916	231,861.63
	$277,157.80
DR.	
Dividends for the year 1916	$209,947.20
Amount set aside for Bad Debts	8,333.70
Balance at Credit December 31st, 1916	58,876.90
	$277,157.80

The Directors were elected as follows

OTTAWA LIGHT, HEAT & POWER CO.

T. Ahearn, Esq., President. Hon. E. H. Bronson, Vice-President.
James Manuel, Esq.; Warren Y. Soper, Esq.; A. A. Dion, Esq.; C. J. McCuaig, Esq.;
D. R. Street, Esq.; F. W. Fee, Esq.
Secretary-Treasurer, D. R. Street.

THE OTTAWA ELECTRIC CO.

T. Ahearn, Esq., President. Hon. E. H. Bronson, Vice-President.
W. J. Baskerville, Esq.; L. Crannell, Esq.; James Manuel, Esq.; Warren Y. Soper, Esq.;
Thomas Workman, Esq.; A. A. Dion, Esq.
Secretary-Treasurer, D. R. Street.

THE OTTAWA GAS CO.

T. Ahearn, Esq., President. James Manuel, Esq., Vice-President.
J. Roberts Allan, Esq.; D. Murphy, Esq.; Warren Y. Soper, Esq.; R. H. Haycock, Esq.;
A. A. Dion, Esq.
Secretary-Treasurer, D. R. Street.

PROVINCIAL CHARTERS.

Test Case in Ontario to Decide Extent of Dominion Powers.

A case, Currie vs. Harris Lithographing Co., is coming before Mr. Justice Masten, at Osgoode Hall, in which the issue is the validity of the Extra Provincial Corporations Act of Ontario as regards Dominion companies, or, in other words, whether a Dominion company must take out a license from the Provincial Companies Department before carrying on business in Ontario.

This question was raised on the British Columbia Licensing Act in the case of the John Deere Plow Co. v. Wharton, and was decided against the provinces. The Ontario department, however, has not recognized the John Deere decision as binding in Ontario. Similar test cases are in progress in Manitoba and Saskatchewan.

A GASOLINE STANDARD.

Would Reduce Quantity and, Therefore, Advance Price.

Oil men believe that should laws providing for the standardization of gasoline be enacted, the price would advance immediately. It is the consensus of opinion that this legislation would not affect the earnings of the oil companies, for while the price would advance, the amount sold would be much smaller. Leading oil interests claim that at present the demand for gasoline is nearly equal to the supply. Standardization would decrease the supply, while the demand is continually increasing, this together with the fact that the petroleum resources are decreasing would place the gasoline market in a perilous condition.

BURDENS PLACED ON RAILROAD COMPANIES

Frank Trumbull, Chairman of C. & O., Says That Regulation Prevents High Wages.

In an address delivered by Frank Trumbull, chairman of the Railway Executives' Advisory Committee, and chairman of the Chesapeake & Ohio Railway Company, said:

The public, through its representatives in Congress and in State Legislatures, has seen fit to impose limitations upon railroad earnings which are not placed upon other industries. No doubt the public has thought that this is in the public interest, but in carrying it out, the public has simultaneously placed limitations upon the ability of the railroads to pay high wages. It is not unnatural that railway employees should desire higher wages at a time when wages are being increased all around them, and at a time when the cost of living is going up, but the railroads have not the same liberty of action that other employers have.

Any number of industries have increased wages and at the same time put up the selling price of their products. For example, the price of steel rails has been increased ten dollars a ton. The price of fuel has in many instances been doubled. In the face of this, railroad rates have remained stationary, while many industrial concerns are earning from 40 per cent. to 400 per cent. on their common stock. It is true that the year 1916 was the most prosperous in the history of American railroads, but the net earnings after deducting taxes, hire of equipment and rentals were not over 6 per cent. on the value of the property put at the service of the public.

The attitude of railway executives toward the labor question is clean and straightforward. They offered to leave the dispute to arbitration, either by the Interstate Commerce Commission or under the Newlands Act, and besides that, made another offer which seems to have been lost sight of: that is, to leave the whole subject to a commission to be appointed by the President of the United States. This was complete acknowledgment by the railway executives that the public interest was paramount and that the movement of Interstate commerce should not be interrupted.

There is, however, an even larger question at stake, and that is the question of expansion of transportation facilities in the public interest, and, therefore, as I said before, in your interest: We have a growing country—a hundred million people now; in a few years it will be one hundred and ten million, and then one hundred and twenty million and so on. The expansion of facilities cannot be had without credit, and anything which impairs railway credit should be eliminated. Private enterprise has built up in the United States the most efficient transportation machine in the world. Doubtless, some mistakes have been made, but I make no apologies for a machine that with the lowest capitalization per mile has produced the lowest freight rates, and is paying the highest railroad wages in the world.

You have a right to efficient management; you also have a right to efficient regulation. The railroads do not object to regulation, but want it to be unified as well as thorough. In no other country in the world do railroads have to meet the conflicting regulation of a Federal Government and forty-eight separate States. The wonder is not that the railroads are somewhat below perfection here or there, but that they do as well as they do when so much is being done to damage their machine. You would not for a moment countenance an attack on your public buildings, on your water supply or lighting plants or anything of that kind. Why should you submit to any regulation of railroads but the best that can be had? If this is good doctrine in times of peace, is it not particularly good doctrine now, when all of the resources of the country may have to be mobilized? Never before has there been such a necessity for cutting out waste in all directions.

In order that the facts and principles underlying this problem of regulation may be clearly stated and understood, the Railway Executives' Advisory Committee, which represents over 90 per cent. of the railway mileage of the country, and of which I am at present the chairman, has outlined a programme of constructive suggestions which they believe offers a possible solution for the situation. It includes the following provisions:

Federal supervision of railroad securities.

Federal incorporation of interstate carriers.

Federal regulation of rates.

A regional and functional division of the work of the Interstate Commerce Commission.

Restriction of rate suspensions to not more than sixty days.

Giving the Interstate Commerce Commission power to prescribe minimum as well as maximum rates

Upon this platform the railroads have taken their stand and ask for public co-operation, not in their interest, but in your interest, because the business of this country can prosper only as it is adequately served by efficient transportation.

ENGINEERS ORGANIZE.

Object is to Divert Technical Knowledge to Country's Interests.

The engineers and technical men belonging to the various branches of the profession in Ontario have recently organized to lend their technical knowledge in the service of their country. A joint committee is making a canvass to register all engineering ability of every sort and description, and cards have been distributed to the members of all the societies, asking for accurate information as to each man's special experience and qualifications.

The object of the committee shall be to devise ways and means by which engineers and other technical men may, as a result of their special training and experience, render assistance in the development and government of our Dominion. The immediate aim shall be to evolve a plan or plans whereby such of these men as for business, family, or other reasons, are unable to go to the front, may be used for war purposes at home in such a manner as their special technical training may make them most valuable.

Directors of Walter Baker & Co., Ltd., have voted to increase capital stock from $2,750,000 to $8,250,000 and to issue $5,500,000 new stock to stockholders as a 200 per cent. stock dividend. This dividend is for the purpose of harmonizing capital and assets and represents the enlargement of capital investment from earnings prior to March 1, 1913.

Guelph and Ontario Investment and Savings Society

(Incorporated A.D. 1876)

ANNUAL MEETING.

The Forty-first Annual General Meeting of the Shareholders was held in the Board Room of the Society's Office, corner Wyndham and Cork streets Guelph, Ontario, on Wednesday February 21st, 1917, at two o'clock p.m.

The following Shareholders were present:—Messrs. J. J. Aldous, W. E. Buckingham, John Crowe, Edwin Daniel, George D. Forbes, H. Howitt, M.D., Charles E. Howitt, W. H. Jones, J. W. Kilgour, Gerald Kean, James E. McLean, J. E. McElderry, John McKinnon, R. L. McKinnon, Peter McGregor, David O'Connor, James M. Purcell, Robert Shortreed, R. L. Torrance, Rev. Amos Tovell, Alexander White.

In the absence of the President, the First Vice-President, Dr. H. Howitt, occupied the chair, and Mr. J. E. McElderry, Managing Director, acted as secretary.

After the notice calling the meeting had been read and the minutes of the last Annual Meeting confirmed, the Secretary read the Annual Report and Financial Statement for the year 1916 as follows:

The Directors of the Guelph and Ontario Investment and Savings Society present to the Shareholders their Report for the year ended December 21st, 1916.

After paying interest on deposits and debentures, war taxes and all other charges and expenses, the net profits for the year amount to $130,667.87, to which is to be added the balance brought forward from the previous year, viz., $26,671.84, and premium on new stock $2,040.00, making a total of $159,379.71, which has been apportioned as follows:

Dividend No. 880, paid 3rd July, 1916	$ 33,720.23
Dividend No. 81, payable 2nd January, 1917	35,503.26
Amount added to Reserve Fund, (premium on stock)	2,040.00
Amount added to Reserve Fund from profits	50,000.00
Amount carried forward	38,116.22

The Reserve Fund now amounts to $687,122.50, the paid up Capital Stock is $711,983.00, and the total Assets of the Society are $4,142,716.78.

The securities held by the Society have been carefully examined by the Board, and found very satisfactory. Payments on mortgages were well met during the year.

We have pleasure in reporting a further increase in the amount invested by the public in the Society's Currency Debentures. Sterling Debentures issued to investors in Great Britain amount to $179,419.96.

Our investments in the Dominion of Canada War Loans amount to $193,407.85.

The sum of One Thousand Dollars was subscribed by the Society to the Canadian Patriotic Fund in 1916.

The accounts have been audited each month and the Auditors' Report is presented herewith.

All of which is respectfully submitted.

A. B. PETRIE,
President.

FINANCIAL STATEMENT FOR THE YEAR ENDING DECEMBER 31st, 1916.

PROFIT AND LOSS.

DR.	
Dividend No. 80	$ 32,720.23
Dividend No. 81	35,503.26
Interest on Deposits and Debentures	115,234.54
Commissions	366.68
Municipal and Government Taxes and License Fees	2,969.10
Land Inspection and Travelling Expenses	730.81
War Taxes	9,936.07
Contribution to Canadian Patriotic Fund	1,000.00
Expenses, including Directors' Fees, Auditors' salaries and Inspector's Salary	21,043.70
Transferred to Reserve Fund (Premium on Stock)	2,040.00
Transferred to Reserve Fund from profits	50,000.00
Balance carried forward	38,116.22
	$310,669.61
CR.	
Balance brought forward	$ 26,671.84
Earnings on Investments, Rents, Interest on Bank Accounts, etc.	281,957.77
Premium on Stock	2,040.00
	$310,669.61

ASSETS AND LIABILITIES.

The Assets are as Follows:		
Mortgages and other Securities	$3,594,932.93	
Dominion of Canada War Loan Bonds	193,407.85	
Office Premises	20,000.00	
Real Estate, other than office premises, owned by the Society	40,056.49	
Cash in Bank of Montreal, Guelph	269,781.27	
Cash in Bank of Montreal, London, England	9,742.37	
Cash on Hand	14,535.87	
Rents Accrued	260.00	
		$4,142,716.78
The Liabilities are as Follows:		
Savings Deposits	$ 558,760.56	
Currency Debentures	1,871,444.20	
Sterling Debentures	179,410.96	
Interest accrued on Deposits and Debentures	52,392.95	
War Taxes accrued	7,974.13	
		$2,669,991.80
Surplus Assets		$1,472,724.98
The Surplus Assets (Liabilities to Shareholders) are composed of:		
Amount paid on Capital Stock	$ 711,983.00	
Dividend payable January 2nd, 1917	35,503.26	
Reserve Fund	687,122.50	
Balance on Profit and Loss Account	38,116.22	
		$1,472,724.98

J. E. McELDERRY, Managing Director.

We have audited the books and vouchers of the Guelph and Ontario Investment and Savings Society monthly during 1916, and found them correct. We have also examined the Mortgages and calculated the value and earnings of the Mortgages, Municipal Debentures and Government Bonds, checked the Savings Department and Debenture Balances, proved the Bank balances, and certify that the foregoing Balance Sheet is a correct Statement of the Society's affairs at 31st December, 1916. All our requirements as Auditors of the Company have been fully complied with.

J. W. KILGOUR,
J. M. SCULLY, F.C.A.,
Auditors.

Guelph, January 26th, 1917.

Dr. Howitt, First Vice-President, and Mr. George D. Forbes, Second Vice-President, in moving and seonding the adoption of the Report, gave an able review of the year's business and the leading features of the Financial Statement.

The Report was received with warmest approval by the Shareholders, a number of whom addressed the meeting, and the motion for the adoption of the Report was carried unanimously.

A Resolution was unanimously passed heartily approving of the action of the Board of Directors in contributing $1,000.00 to the Canadian Patriotic Fund for 1916, and $1,200.00 for 1917.

A By-law was passed confirming Directors' By-law Number 77 amending By-law Number 15.

The following were re-elected Directors for the ensuing year:—Messrs. A. B. Petrie, H. Howitt, M.D., George D. Forbes, J. E. McElderry, Charles E. Howitt, George Shortreed. At a subsequent meeting of the Board, Mr. A. B. Petrie was re-elected President; Dr. H. Howitt, First Vice-President, and Mr. George D. Forbes, Second Vice-President.

180
360

WEYBURN BANK SHOWED PROFIT OF 23.6 PER CENT

Western Institution Had a Remarkably Successful Year.

POSITION IS STILL STRONG

Ratio of Immediately Available Assets to Total is 38.11 Per Cent. and to Liabilities to Public 46.4 Per Cent.

That the depression which has been felt in Western Canada has been the result of the inflation of realty values and their readjustment to a level of real value rather than to any great weakness in the fundamental business situation, is indicated in the annual statement of the Weyburn Security Bank, which has its head office at Weyburn, Sask., and does a strictly western business. Since the outbreak of the war this institution has shown remarkable prosperity. Big yields and high prices and the development of the live stock industry have quite evidently offset any disadvantages of the real estate slump. The profits for the year 1916, after deducting expenses of management, taxes, etc., amounted to $82,149, compared with $53,844 in 1915, and $48,354 in 1914. The earnings on the paid-up capital thus reached the very high figures of 23.6 per cent., compared with 17.03 per cent. in 1915, and 15.29 per cent. in 1914. The following table indicates the earnings of the past three years and the distribution:—

	1914.	1915.	1916.
Balance forward....	$ 3,112	$ 9,662	$ 6,502
Net profits	48,354	53,844	82,149
	$51,466	$63,506	$88,651
Distribution:			
Dividends	$15,805	$47,415	$48,995
Bank fixtures.....	1,000	2,245	4,239
War tax on circulation	....	2,344	3,308
Reserves	25,000	5,000	20,000
Balance	9,661	6,502	9,442
Bus. profits tax...	....	....	2,667
	$51,466	$63,506	$88,651
Earn. on capital....	15.29	17.03	23.6

Good Liquid Position

The balance sheet shows that the total assets at $2,859,905, showed an increase of $683,436. This was largely made up by an increase in demand deposits of $219,668, and in savings deposits of $294,459. The detailed list of assets reveals that the bulk of the increased funds was invested in two particular departments, current loans indicating an extension of credit throughout the bank's field and public securities, probably showing the part the bank has played in financing munitions contracts; the increase in call loans was $370,847, and in public securities $256,288.

The bank still maintains a strong liquid position, although the ratio is somewhat below that of last year. According to THE POST'S analysis, the immediately available liquid assets have decreased by only $2,503, but, owing to the increase in total assets, the ratio has fallen from 49.14 per cent. to 38.11 per cent., and the ratio of total liabilities to the public from 63.51 per cent. to 46.40 per cent. The percentage still shown maintains the bank in the class with the strongest financial banking institutions in the country. Following are comparative figures for 1915 and 1916:—

	1916.	1915.	Change.
Immediately Available Liquid Assets.			
Specie ....$	15,145	$ 9,894	+$ 5,251
Dom. notes....	168,737	142,271	+ 25,466
Note cr. dep...	15,200	13,790	+ 1,410
Bk. balances..	471,609	645,352	— 173,743
Do., abroad.	82,851	156,339	— 73,488
Gov. securities	......	7,000	— 7,000
Cheques	15,720	22,975	— 7,255
Call l'ns abr'd	215,000	15,067	+ 199,933
Notes bank...	82,919	55,996	+ 26,923
	$1,067,181	$1,069,684	—$ 2,503
% of total assets	38.11	49.14	
% of total liab. to public ...	46.40	63.51	
Other Assets.			
Pub. secur....$	275,877	$ 9,589	+$266,288
Other secur...	29,725	11,600	+ 18,125
Call loans ...	......	80,407	— 80,407
Current	1,118,167	747,320	+ 370,847
Elsewhere ...	85,684	14,984	+ 70,700
Overdue debts	40,943	28,795	+ 2,147
Real estate ..	6,225	7,496	— 1,271
Mortgages ...	7,355	2,555	+ 4,800
Premises	158,363	151,242	+ 7,121
Mun. loans ...	12,631	......	+ 12,631
Other assets..	57,755	42,797	+ 14,958
	$1,792,724	$1,106,785	+$685,939
Total assets..	$2,859,905	$2,176,469	+$683,436
Liabilities to Public.			
Circulation ..$	281,222	$ 306,170	—$ 24,948
Demand dep..	1,083,187	863,519	+ 219,668
Savings dep..	907,639	513,180	+ 394,459
Bal. due Dom. Govt.	2,571	......	+ 2,571
Bal. due Prov. Govt.	34,286	......	+ 34,286
Other liabil...	3,545	1,485	+ 2,060
	$2,312,450	$1,684,354	+$628,096
Liabilities to Shareholders.			
Capital ......$	347,710	$ 316,100	+$ 31,610
Reserve	150,000	130,000	+ 20,000
Dividends ...	40,203	39,513	+ 790
Balance	9,442	6,502	+ 2,940
	$ 547,455	$ 492,115	+$ 55,340

NOVA SCOTIA SAVINGS.
Annual Statement of Eastern Montreal Organization.

The annual financial statement of a unique corporation has just been issued. It is that of the Nova Scotia Savings, Loan and Building Society, and it is for its sixty-seventh year. It is a mutual organization, the society's expense of management and operation being met by annual dues and entrance fees, leaving all the net earnings, after payment of interest, for distribution as a bonus among its members. The statement of receipts shows $475,698 as monthly subscriptions on shares. The depositors were $107,323, and the debenture account $114,172. The sum put down to loans is $46,349, the total with other smaller items aggregating $782,919.

On the other side of the account are advances on mortgages, $361,858; withdrawal of shares, $131,813; deposits repaid, $107,972; debentures repaid, $106,384, and loans account, $40,000. The expense account, which includes salaries, directors' fees, etc., is $12,870, compared with a total of $17,672 received by the contingent account, from which management expenses are exclusively drawn.

The statement of liability and assets of this strictly local and Nova Scotia organization, shows that the paid-up and monthly shares amount to $947,337, that the deposits are $137,080, the debentures, with interest accrued, $456,671, and the balance of bonus account, $21,284. The chief item on the assets side is $1,682,252, balances of advances and loans. The rest account is $141,659, which is $18,108 greater than the year before.

The Board of Directors includes such men as Governor McCallum, Grant, G. S. Campbell and J. Walter Allison. Two of these also are on the directorate of the Nova Scotia Steel and Coal Company. Mr. Allison is the president of the society, and C. A. Prescott its secretary and treasurer.

MT. ROYAL TUNNEL.
Narrow Gauge Track Now Being Run Under the Mountain.

A narrow gauge track is now being laid through the Canadian Northern Railway tunnel under Mount Royal, and in less than two weeks the Mayors of Montreal and nearby cities will be invited to make the trip as the guests of the Canadian Northern. Buildings are now being torn down for the erection of the temporary station, which will be placed in the block bounded by Cathcart, St. Monique, Lagauchetiere streets.

The entrance to the temporary station will be on Lagauchetiere street, but that building will be used as an express building when the whole scheme has been completed.

No definite plans have been formed, but the Canadian Northern Montreal Lands Company is giving serious consideration to a plan whereby it would erect a number of buildings in the Model City. If the scheme is carried through, it will mean considerable building operations in the district the coming spring.

SHRAPNEL IN CANADA.
Description of Activities Here Published in Russia.

C. F. Just, Canadian Commercial Agent, Petrograd, writing to the department, says it will interest Canadian munition workers to know that a Petrograd publishing house has recently added to its series of technical publications an interesting booklet entitled, "The Manufacture of English Shrapnel in Canadian Factories." The authors, Messrs. Sdzitovesky and Bekker, discussed at length how promptly and with what ingenuity the equipment of Canadian works was adopted to the production of munitions, and, incidentally also, the resource, inventiveness and the enthusiasm displayed by the workers in tackling and solving the difficulties of manufacture altogether new to their experience. The book is very fully illustrated with cuts and detailed drawings of the tools and of specially designed tool parts employed, with an explanatory text of the operations for securing special results and the general methods of manufacture. The publication will no doubt serve as a good advertisement in Russia of Canada's progressive industrial methods.

LOWER RATES AFFECT PROFIT OTTAWA POWER

Earnings Are Less, But Increase in Business is Satisfactory.

OPERATING COSTS HIGHER

Expenses Indicate Effect of Rising Cost of Labor and Materials—Outlook for Current Year is Very Encouraging.

Although the annual statement of the Ottawa Light, Heat and Power Company for the year 1916, like that of the previous year, shows a decline in revenue from the high point of 1914, it is pointed out by the directors that the results are satisfactory in that they indicate that by the acquirement of new business, the company is gradually offsetting the lower rates which have been established both for gas and electric light during the period referred to. The price of gas was reduced 10 per cent. on January 1, 1916, and there was, some months earlier, a similar reduction in electric light rates, the effect of which was not fully realized until 1916. During the year also, the flat rate on electrical commercial accounts was changed to a meter basis and, while this effected a material saving in the use of power, it was also factor in the reduction of revenue. The year was marked by a very large increase in the number of customers on the company's books.

Another feature of the report is that there has been an increase in expenditure. This, while not large, indicates the general tendency of operating costs to increase owing to higher prices for labor and material. The revenue amounted to $834,192, compared with $848,824 last year. The expenditure increased from $594,051 to $602,330. The surplus for distribution was, therefore, $231,862, compared with $254,772. Dividends and provision for bad debts still left a substantial balance, the surplus carried forward being $58,878, as compared with $45,296 from the previous year. Following are comparative figures:—

	1914.	1915.	1916.
Total revenue...	$873,654	$848,824	$834,192
Expenditure	633,091	594,051	602,330
Surplus	$240,562	$254,772	$231,862
Prev. balance ...	34,362	9,697	45,296
Total	$274,924	$264,470	$277,158
Less:			
Dividends	$259,727	$210,803	$209,947
Bad debts	5,501	8,370	8,333
Total deduc....	$265,228	$219,173	$218,280
Net balance	9,697	45,296	58,878
Earn. on capital	8.46	7.3	6.7

The earnings on capital were at the rate of 6.7 per cent., compared with 7.3 per cent. in 1915, and 8.46 per cent. in 1914, while in 1913 the showing was 11.18 per cent.

Hon. D. H. Bronson, vice-president of the company, in presenting the statement to the shareholders, pointed out that steady progress had been made during the year, more especially during the latter months. With the increased business now offering, the company has every reason to look forward to a steady increase in business and earnings during the current year.

The balance sheet does not show any important changes. Current accounts receivable stand at $439,499, compared with $415,643 a year ago, plant and property are valued at $5,663,076, as against $5,573,603, accounts payable having increased from $588,925 to $668,143.

EAST ONTARIO MINERALS.
Munitions Activity Directs Interest to Iron Mines.

During the past two years increased attention has been given to the mineral resources of the Kingston district. The iron mine near Trenton, closed for many years, was reopened, and large shipments of ore were made to the United States. This ore is mixed with other ore in the manufacture of steel. Export figures for this district show several thousand tons shipped.

Large bodies of mica have been discovered north of Kingston recently. American capital is interested in several properties in the Sydenham district. Operations have been under way, buildings for the workmen have been erected, and a few shipments made to the United States. Since the war began there has been a greater demand for Canadian mica than heretofore.

A few years ago only one company was operating a feldspar property, but to-day there are six or more, and the demand from the United States exceeds the supply. It is stated that all feldspar prospects or virgin properties are being purchased by Americans. In former years feldspar was used only by potteries. It is now imported into the United States by fertilizer companies, as it contains a large percentage of potash. The Feldspar (Ltd.), Verona, Ontario, is constructing a trolley four miles long from its mine to the railroad station.

With the decline in talc imports from Italy the talc mines in and around Madoc have become active. At present there are three mines, one controlled wholly by American capital. The talc exports amount to $100,000 per annum. Negotiations are being conducted by Americans with the object of acquiring all these properties and exporting the whole output to the United States.

The F. W. Woolworth Company's report for 1916 shows profits of 10.1 on each dollar's sales. This is the goal which the various five, ten and fifteen cent stores have been trying to reach for a long time, but the Woolworth concern is the first to attain it.

BETTER OUTLOOK FOR NOVA SCOTIA CLAY

Improvement in Business Such as to Dispose of Fear of Liquidation.

The annual meeting of the Nova Scotia Clay Works was held last week and the outlook proved to be much more hopeful than it was a year ago. At that time there was serious consideration of such a prospect as liquidation. But during this year the company made a good start. To pay off pressing obligations by the bank, 6 per cent. bonds of a par value of $100,000 were issued and disposed of. This made it possible to open and operate two of the company's several plants, those at Elmsdale and Pugwash being kept at work for between three and four months. The result was net earnings of $14,000, from which bond interest and other charges were met. The company had practically no balance on hand after meeting these obligations, but it is shown what can be done, for if expenses were met by the operation of only two of the plants, and for not more than half the season, then by operating for the whole season of seven months, and bringing in to commission the other plants, a handsome profit should be possible. This was the way the shareholders and directors viewed the matter. The company's plants have a capacity of 12,000,000 bricks a year, and last season they made less than 4,000,000. A considerable portion of next season's output of bricks has been contracted for. The Board of Directors was re-elected. The directors presented no printed report, but the meeting was informed that these would be prepared and sent out in a few days to the shareholders.

PROFITS ON POWDER.
Du Pont Showed Nearly Fifty Per Cent. Increase.

Some idea of war profits may be gained by annual reports of companies concerned in the manufacture of war material. The E. I. du Pont de Nemours & Co., reports for the year ended December 31 last, net earnings of $82,107,690, against $57,840,757 in 1915. Common stock dividends were $58,854,200, against $24,136,672, and the balance after dividends was $19,605,271, against $31,405,603. The total surplus $28,567,038, against $8,968,217. President Pierre S. du Pont says that $60,000,000 worth of new plants were constructed to take care of the orders which came from abroad. The annual report of the Winchester Repeating Arms Company submitted to a meeting of the stockholders yesterday shows $1,600,000 added to surplus; net revenue, $26,441,000; net profit from manufacturing, $4,280,000.

Sixth Annual Report of the Directors of the

Canada National Fire Insurance Company

HEAD OFFICE - WINNIPEG, MAN.

The expense ratio in the Underwriters Department having reached the low figure 38.80%

To the Shareholders:—

It is with pleasure that your directors beg to present for your consideration their sixth annual report, as well as the statement of assets and liabilities and revenue account for the year ended December 31st, 1916, as certified by the Company's auditors.

At the beginning of the year it was not anticipated that the Company would make any large gains over the previous year; in fact, it was thought that, owing to the continuation of the war and the general depression in business and financial matters, the Company would do very well indeed if it could even hold its own, without making its usual annual progress.

However, your Directors have every reason to believe that the results for the year, as indicated in the financial statement, will meet with the approval of and be appreciated by the shareholders.

Considering the decrease in the volume of general business and the inactivity in building operations throughout the country in 1916, the gross amount of insurance, $21,892,153, written by the company during the year was most encouraging. The premiums thereon amounted to $268,736.82. These amounts are slightly less than those of the previous year, but they are, nevertheless, considered satisfactory.

Re-insurance premiums in 1916 were $93,600.28. The gross amount of insurance in force at December 31st, 1916, was $31,304,548, and the premiums on the same were $445,925.72. Re-insurance in force at the close of the year was $8,606,337, the premiums amounting to $112,355.12. Therefore, the net amount of insurance in force at December 31st, 1916, was $22,698,211.00, and the premiums thereon were $333,570.60.

Taking the year as a whole, and covering the entire Dominion, our fire companies experienced a greater loss ratio than usual. This, it may be said, is the usual experience with fire companies in times of depression and disturbed business conditions. This Company's loss ratio for the year was 67.18 per cent., an increase of 19.59 per cent. over that of 1915.

With respect to the Company's investments it will be observed that they are comprised largely of mortgages on real estate, the amount at December 31st being $1,444,364.17. It is gratifying to be able to report that while it was necessary to foreclose on certain properties during the year, which was common to all companies last year, the payment of interest and principal on our mortgage loans was very satisfactory. Your directors do not anticipate any losses on the properties taken over during the year. It will be noted that the quarter interest held by this company in the head office premises has been fully paid up. The stocks and debentures held and owned by the company yield a satisfactory rate of interest.

Substantial cash reserves were maintained, as has been the usual policy of the company.

The reserve for unearned premiums amounted to $138,267.22, being slightly less than at the end of the previous year, and was due to the decrease in the volume of business written in 1916. Re-insurance premiums held as reserve on deposit stood at practically the same amount as in 1915.

Profits from mortgages, stocks and other sources amounted to $144,183.06, or about $10,000.00 increase for the year. Net premiums, after deducting cancellations, rebates and re-insurance, amounted to $175,136.54, showing a small decrease from 1915 figures.

A matter of importance, and one deserving of special mention, is the reduction of about $19,000.00 in the aggregate expenses for the year, the expense ratio in the underwriting department having reached the low figure of 32.80%. The net losses for the year were $117,571.07, or an increase of about $24,000.00. Considering the experience of other fire companies last year, this is anything but an unfavorable showing.

Dividends on capital stock for the year amounted to $99,235.90, being computed at the usual rate of 6 per cent. per annum.

It is interesting to note that the aggregate annual dividends of this company exceed by a large margin those of any other Canadian fire insurance company.

The paid-up capital at December 31st, 1916, was $1,708,160.72, an increase of $150,332.64. Surplus to policyholders was $1,976,156.08, the largest of all our Canadian fire companies. From the standpoint of the insurer this is an exceedingly important feature, and places this company in the front ranks of fire insurance companies generally.

The usual precaution in the selection of risks has been exercised, and the satisfactory record to date speaks well for the underwriting department of the company.

While it is yet early in the year to predict results for the current year, returns thus far have been quite satisfactory. It is not expected there will be large increases in business in 1917, or, in fact, until the war is over and we again experience more prosperous times and a return of building activity and general expansion.

Your directors wish to thank all the shareholders who have contributed to the success of the Company, as in a fire company it is possible for the shareholders to be of material assistance to their Company by turning their own business to the Company, as well as influencing other insurance to the Company.

It is with a feeling of appreciation that the directors refer to the efficient services of the officers and staff, as well as the many agents of the Company.

February 21st, 1917. J. H. G. RUSSELL, President.

The election of directors for the current year resulted as follows: J. H. G. Russell, W. T. Alexander, D. E. Sprague, J. G. Hargrave, F. H. Alexander, Dr. A. D. Carscallen, E. L. Taylor, S. D. Lazier, R. G. Affleck, Hon. A. C. Rutherford, Edmonton, Alta.; F. N. Darke, Regina, Sask.; Thos. S. McPherson, Victoria, B.C.; Andrew Gray, Victoria, B.C.

FINANCIAL STATEMENT, 31st DECEMBER, 1916

ASSETS.

First mortgage loans on real estate and accrued interest		$1,444,364.17
Stocks and debentures (at cost) and accrued interest		433,412.52
Real Estate—Head office property.....	$163,526.80	
Real Estate—Other than head office property	58,574.46	
		222,101.26
Office furniture and fixtures, maps and plans, less depreciation		20,113.85
Accounts receivable		12,868.63
Agents' balances		31,100.27
Cash in banks and on hand		126,113.97
		$2,290,074.67

LIABILITIES.

Government reserve for unearned premiums....$		138,267.22
Losses unpaid (in course of adjustment)		13,300.00
Accounts payable		3,235.26
Re-insurance premiums (held as reserve on deposit)		59,880.21
Dividend for year ended 31st December, 1916....		99,235.90
Capital stock subscribed.$2,050,400.00		
Paid up	$1,708,160.72	
Net surplus	267,995.36	
Surplus to policyholders		1,976,156.08
		$2,290,074.67

REVENUE.

Balance brought forward from 1915 ....$		405,780.00
Profits from mortgages, stocks and other sources		144,183.06
Fire insurance premiums for 1916 ....$268,736.82		
Less re-insurance thereon	93,600.28	
		175,136.54
		$ 725,099.60

EXPENDITURE.

General expenses, salaries, commissions, etc.:		
Loan and investment department...$	44,584.40	
Fire department	55,135.58	
		$ 99,719.98
Losses and loss adjustment expenses ..	193,926.36	
Less re-insurance recoveries	76,355.29	
		117,571.07
Bad debts written off		75.20
Depreciation written off furniture and maps...		2,234.87
Dividend for year ended 31st December, 1916...		99,235.90
Reserve for unearned premiums	138,267.22	
Net surplus	267,995.36	
Balance		406,262.58
		$ 725,099.60

AUDITORS' REPORT

We beg to report that we have audited the books and accounts of The Canada National Fire Insurance Company for the year ending 30th December, 1916, and have found them properly stated and sufficiently vouched, and we have also verified the mortgages and other securities.

In our opinion, the above balance-sheet presents a correct view of the state of the company's affairs as at 30th December, 1916, according to the best of our information and the explanations given us, and as shown by the books of the company.

(Sgd.) D. A. PENDER, COOPER, SLASOR & CO., C.A.
Winnipeg, 16th February, 1917.